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GOVERMNENT BY FARMERS WILL BE SAFE AND STABLE

Editor of Farmers' Magazine Analyzes the Situation

WILL AID PRODUCTION

U.F.O. Members Have Faith in Their Ability to Form a Strong Cabinet—Outline of Progressive Policies

The following article, written for THE FINANCIAL POST *by F. M. Chapman, Editor of* FARMERS' MAGAZINE *analyzes in an interesting and informative way the aims and ambitions as well as the fundamental characteristics of the new U.F.O. party which, as the result of this week's election, has been suddenly thrust into the dominant position in the Ontario Legislature.*

The farmers of Ontario dominate the Legislature. The old House with 17 farmers out of a membership of 111 has given place to a chamber with over 57 active farmers. Of these, 13 were elected on the old parties' tickets. Such a situation has been brought about by the activities of the U. F. O. and general feeling among agriculturists that agriculture has been receiving an unfair share in the government of the province and has been repeatedly put into discreditable positions by the daily press of both sides.

For the most part the elected men are of the rugged, honest type. They have been elected in spite of the lack of campaign funds and fine organizations. It was truly a people's movement, for the urban centres have also swung off the guy ropes from their accustomed moorings and labor is joining hands with the farmers.

This upheaval is one that will commend itself to many lovers of sound government, of economical administration, and the stability of capital and property. The farmer is essentially a believer in property rights. His views are capitalistic rather than socialistic.

Farmers in the Saddle

It now looks like a farmer administration. The members-elect are unanimous in their maintenance of independence of the old political parties. They claim that they have the ability and broadmindedness to form a Cabinet and to give due attention to all other interests in the province. Against the criticism of class control, they say that there is no body of the electors who could give a more disinterested attention to general policies; none who will be freer from unfair discriminations of other parties, and none who would handle the affairs with more broadminded intelligence.

Seeking Out Ability

This claim has already been in evidence. They recognize the need for a lawyer as Attorney-General, a skilled man like Cody for Minister of Education, and an astute Provincial Secretary. In fact the farmers freely assert that they will see to it that no department of our provincial life is undermanned or inefficiently handled. And it is this feeling already spreading through the urban centres that is welcoming the advent of an agrarian administration.

The aims of the farmers have been consolidated in their platform which was published many times during the campaign. In that platform there is nothing at all startling in its nature.

The Hydro Policy

They believe in the extension of the Hydro-Electric power usefulness at cost to all users in Ontario. They favor public ownership of such clearly public utilities under efficient and economic control where investments will be stable, and private enterprise such as manufacturing and industrial development will be encouraged and be secure. They condemn the granting of favors to groups or undue advantages to one body over another. Legitimate businesses will be safeguarded and protected by this policy.

In the matter of public administration they are bound to be progressive as the management of their own co-operative business interests has shown. Good salaries are being paid by them for good work. Results, however, would follow any such expenditures. The curtailing of government jobs for hangers-on will cause the un-

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MAY BUY WAYAGAMACK

Laurentide Said to be Trying to Make a Deal

By Resident Correspondent.

MONTREAL.—The active buying of Wayagamack stock this week with the substantial advance is believed to be due to an effort on the part of another company, said to be Laurentide, to buy control. The latter's accessible limits are not as large as could be desired, and Wayagamack limits, adjoining the same river, St. Maurice, as Laurentide's would seem the logical solution.

NO PURCHASE, BUT REORGANIZATION OF GRAND TRUNK

This Course Would be in Best Interests of Canada

EXPRESS EARNINGS

As Well as All Other Subsidiaries Should Go to Company—Chas. M. Hays' Effort to Canadianize

By Resident Representative.

MONTREAL.—Further investigations into the incidents surrounding the Grand Trunk Railway deal bring out additional facts that confirm the basis for the contention that the taking over of the Grand Trunk Railway was not a policy forced on the Government without any alternative; that, instead, the Government could have assumed the liability of the Grand Trunk Pacific and have charged up against the Grand Trunk a fair portion of the liabilities for which it was technically responsible; that the Grand Trunk could readily have financed for the future, if relieved of the G. T. P., but that in the national interests a reorganization of the company should be insisted upon, including the Canadianizing of the managing board.

Express Earnings Diverted?

A new point has arisen that has an important bearing on the question. Why have not the proceeds of the subsidiary companies of the Grand Trunk Railway Company, notably the Canadian Express Company, been passed over to the parent company, as is done in the case of the Canadian Pacific Railway Company's subsidiaries? The steamship lines of the C. P. R pass over their net earnings for the benefit of the company's shareholders, so, with the profits of the Dominion Express Company; so with the proceeds of the sales of lands in the West and the many other activities that have naturally grown up around the railway companies in this country. Evidence that was submitted in Canada and the United States bear out tho view that the net earnings of the express companies, at least in normal times, are very large, particularly considering the small capitalization that conditions permit for them; under the abnormal conditions that now surround the relation of the Grand Trunk Railway Company to the people of Canada, the Government should leave the road under private control, and insist on radical changes such as a Canadian board, and the turning over of all the earnings of subsidiary companies. The reason for this is obvious: technically, the Government is in a position to force the Grand Trunk into liquidation; if the road is allowed to retain its separate identity it should be on condition that it is placed in such a position as to make the best possible showing, not only for its shareholders, but even more important, for its virtual shareholders, the people of Canada.

Wanted Political Engine

Montreal opinion is that the present Grand Trunk Pacific muddle was, in the main, the result of political manipulation, in which the Grand Trunk directors were more or less helpless in the hands of the politicians who made radical changes in the original plans, which were simply to tap the wheat fields and wheat traffic of the West. Those who are familiar with the political history of the years 1903 and 1904 will hardly deny that one of the main purposes behind the Government scheme of second transcontinental railway for Canada was the creation of a huge political engine that might offset what was the prevailing impression in those days, that from a

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SHOULD CONSIDER EFFECT OF HYDRO ON LOCAL CREDIT

Bankers Warned to Investigate Before Buying Ontario Securities

REPORT WAS MISSING

Convention Expected Full Report on Hydro Financing and Its Effect on Ontario's Credit Which Did Not Turn Up

American bond houses and investment bankers were given a warning this week that in considering the purchase of the securities of Ontario or its municipalities, or of the privately owned public utilities systems of the province, the operations of the Hydro-Electric system must be carefully weighed. It was not the first time that American investors have had called to their attention the effect on the province's finances of the unlimited guarantee of the bonds of Sir Adam Beck's enterprise. The warning was given by O. D. Wilcox, chairman of the Public Service committee of the Investment Bankers' Association of America, at the annual convention in St. Louis. Mr. Wilcox said:

"The effect of both the legislation of the Province of Ontario and the operations of the Ontario Hydro-Electric Commission on the securities of the Province of Ontario and of municipalities in that Province, and of privately owned electric generating and transmission companies and transportation companies in Ontaiio, must be carefully considered by American bankers representing or contemplating the purchase of such securities."

There was to have been a complete report on the operations and financing of the Hydro-Electric system but for some reason it was not given, though reference was made to it at several sessions of the convention. The Public Service Securities committee stated that a special sub-committee would deliver the report; the special sub-committee asked the convention to pay particular attention to the report which would be delivered by the Municipal Securities committee, and when the leader of the municipal section gave his address he passed the job of delivering the report back to the Public Service committee. It is now probably up to the board of governors to decide if the report shall be released, and there are undoubtedly a good many members of the association who would be glad to hear it.

On Public Utilities

The committee discussed various forms of public utilities and expressed the opinicn that well-managed public utilities provided a perfect form of investment. The report said:

"Utilities which are economically sound and which have succesfully survived the stress of the war and early reconstruction periods; regulated with the avowed effort on the part of commissions to encourage efficient service, provide good credit, and promote reasonable extensions in the interest of the public through the exercise of the right and the power to raise rates in proper cases, as well as to lower them; such public utilities offer investment in all essentials second to none."

"The term 'public utilities' has been generally used in recent years to describe electric industries, both tractions and power and light companies. The events of the past few years show that the classification is too general and must be subdivided, and that when we examine public utilities we must approach those generating and transmitting electricity as a separate industry, free from both the history and the present difficulties of some other public utilities, and possessing inherent qualities of their own, making for ideal investment situations. It should not be difficult to educate the public to renewed and increasing confidence in any industry which has proven itself, even in the crisis of war, so stable, resourceful, resilient and productive, and which offers convincing promise for safe and remunerative employment of enormous additional capital."

C. P. R. AND THE LOAN

Grand Trunk Purchase Makes No Difference to Them

By Resident Representative.

MONTREAL.—Much more confidence is expressed by loan leaders as the result of the meeting addressed by Sir Henry Drayton last night, especially the declaration of the C. P. R. president that the Grand Trunk deal will make no difference in company's subscription to loan, and support voiced by Z. Hebert, who represents a powerful commercial interest.

The Ontario Elections

THE Ontario elections have undoubtedly marked the opening of a new political era in the Province. Its duration is a matter of opinion. Its relation or effect upon the political situation in the Dominion is a matter of live interest throughout Canada and of intense speculation at Ottawa. That the United Farmers, themselves not sufficiently organized to have a nominal leader and without political or parliamentary experience, should have succeeded in securing the dominating vote of the electors was something which no one expected—obviously, not even themselves. And not only was it one of the last things looked for, but it is perhaps not going too far to say that it was one of the last things the great majority of the people wanted.

But so far as Ontario is concerned, the dominance of the U. F. O.—and the farmers will certainly rule the house whoever is called upon to form the Government—is not to be regarded with serious apprehension. This is a period of unrest, a period of change. The majority of the people voted for a change, and if many were surprised at the consequences there will be no general dissatisfaction if things work out reasonably well.

There are no vitally important policies at stake in the Province as between the various parties. All made use of the same important planks in their platforms, even though some trimmed them closer than others. It comes down largely to a question of management of public affairs. And in such a period the farmers stand for a stable force. They are owners of property—therefore, capitalistic rather than socialistic—and they represent capital even more than they do labor.

That the U. F. O. will be able to form a lasting alliance with Labor is something more than students of politics and economics are willing to accept. Their interests are divergent. Political alliances are based upon the interests of those forming them. To meet the exigencies of such an unusual situation as this, it may be in the self-interest of agriculture and labor to stand together, but such an alliance is on a false foundation and hardly likely to survive many of the tests to which it will be put. What is more likely, if the U. F. O. call out of the ranks of Liberals and Conservatives the farmer members, is an alliance between all members representing other interests than agriculture. The idea that there will be a permanent departure from the old type, two main-party system—whatever the names used—is hardly to be expected. There is not sufficient diversity of interests in the Province—and only two sides to an issue.

The outlook then is that Ontario is to have a farmers' Government. Inexperience should breed caution and with a natural aversion to extravagance and a respect for capital and individual right there is little for business to fear from its members. The idea that any successful effort will be made to legislate selfishly in the interests of agriculture to the serious detriment of other interests finds little foundation in political history. No Government can long run contrary to public opinion.

The U. F. O. success in Ontario will undoubtedly lend impetus to the farmers' movement in the larger field of Dominion politics. Here, owing to the diverse views upon the tariff issue, a radical change like that in Ontario would be attended by more far-reaching and important results. But whether the show of strength in Ontario will add weight to the movement in the Dominion, or whether it will serve to arouse opposing political factions to the "dangers" of a new force, remains to be seen.

A New Era For the Hydro

THE events of the week have an important bearing upon the Ontario Hydro-Electric enterprises. We refer not so much to the defeat of Sir Adam Beck in his own riding—that as we see it was a local matter only and brought about by local causes, despite the cry of the public ownership press that the corporations were using their influence—but to the defeat of the Hearst Government. Despite the efforts to make the public believe that the Hydro was outside politics, the fact remained that it was brought into being and nursed to its present state by the Conservative administration. Sir Adam, as chairman of the Commission, was a member of the Hearst Government, and Hon. I. B. Lucas, the only other member, was the Government's Attorney-General. Sir Adam endeavored to "wash his hands" of the Hearst party before the election, but the facts of the present situation are that both members of the Hydro Commission have shared the defeat of the Government party with which they and the Hydro undertaking have been so long identified.

The situation to-day is, that Sir Adam Beck is still chairman of the Hydro Commission—and his resignation is not to be expected despite his pre-election threat to drop out in case of defeat; I. B. Lucas is still the other member. The difference is that the Hydro is now in reality out of politics—that is so far as any undertaking dependent upon provincial legislation and financed on provincial credit could be out of politics. Sir Adam has come closer to gaining the goal for which he claimed to be striving than he could have ever expected.

In view then of the defeat of the Hearst Government and the necessity of the Hydro Commissioners, so long identified therewith, having to establish relations with a new Government—a relationship necessary in view of the millions of provincial credit involved—THE FINANCIAL POST believes that an opportune time has arrived for a thorough business-like consideration of the whole proposition. We have time and again urged the necessity for the appointment of a commission of independent financiers and engineers to go into the whole matter AND WE URGE IT AGAIN NOW WITH ADDED EMPHASIS for the benefit of the new Government and to safeguard the interests of the municipalities whose credit is involved.

Now is the time to clear up the oft-repeated charges that Hydro finances are unsound; that sinking fund requirements are not being lived up to; that the Chippewa project is an engineering impossibility from the standpoint of cheap marketable power; that the Clarkson report is "not worth last year's birdnest"; that the whole enterprise has been carried on by one man of questionable technical ability, etc., etc. Further, we believe, that Sir Adam Beck should be only too willing to have such an inquiry take place. If his plans are sustained, he can go ahead with a public confidence which cannot be doubted, and with the full co-operation of the new Government. If his plans are not sound, the quicker the municipalities and the Government know it the better. An actual $100,000,000 and potential $200,000,000 is too great a stake for the people of Ontario to take chances.

It would not be possible at this time to review the whole situation or to present in detail the many arguments which have been advanced for an independent inquiry by experts—with Dominion status preferably on account of inter-provincial and international issues involved. Let us simply refer to a development this week when the matter of provincial and municipal credit in Ontario in relation to the Hydro was considered, before the Investment Bankers' Association of America at St. Louis, and when it was emphasized that "The effect of both the legislation of the Province of Ontario and the operations of the Hydro-Electric Commission on the securities of the province and municipalities and of private companies MUST BE CAREFULLY CONSIDERED BY AMERICAN BANKERS REPRESENTING OR CONTEMPLATING THE PURCHASE OF SUCH SECURITIES."

THE FINANCIAL POST understands that the sub-committee's report, upon which this statement was based, which was not made public as will be noted from the report of the proceedings in this issue, was of such a nature that a decision has not yet been reached as to the advisability of publicity and the powers of the Association in this connection.

THE MARKET NOW UNSETTLED AFTER GENERAL ADVANCE

A Number of Gains Were Recorded During the Week

AMERICAN MARKET

Trend Has Been Very Uncertain and Caution is Being Advised by Conservative Brokers

The market situation is unsettled. The net change over the week has shown considerable advance. Speculative interest has continued, but buying has met with profit-taking in a number of stocks. A number of new specialties have been taken up and advanced considerably, and there have been no serious setbacks. The tone is still generally good, but not so steady as at last report. Both buyers and sellers are showing a tendency to feel for the top of the wave. This is undoubtedly to some extent a reflection of the New York situation where the market has been up and down all week with heavy trading and the "talent" evidently somewhat at sea as to the stability of the present price levels and the outlook for the future. The labor situation following the trouble at the Industrial Conference at Washington has been an upsetting factor in Wall Street, and has had a sentimental effect in Canada. The victory of the farmers in the Ontario election does not appear to have tended to depress the industrial outlook.

Apart from the trading in Victorys, and that has been in much smaller volume than last week, the bond market has shown very little activity. Dealers report that as the Victory Loan campaign approaches, interest is being more and more concentrated upon it. This week's business in the Government issues has shown some price fluctuations, but for the most part the situation is being held steady with the co-operation of the "committee." The British Government loan through Morgan's, to be offered after the first of November, is not likely to attract interest in Canada in view of our own campaign and the fact that exchange with New York operates to the disadvantage of the Canadian buyer.

American Viewpoint

In connection with the whole situ-

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ROTHERMERE PLAN MAY FOCUS EYES ON WEST INDIES

Union With Canada Only Hope of Islands, Says Harry Crowe

AMERICANS COMING IN

Toronto Business Man, Recently Returned From West Indies, Sees Danger of Britain Losing Colonies

"I am glad that Lord Rothermere came out with his suggestion that part of the West Indies be sold to the United States," says Harry J. Crowe, who has recently returned from the West Indies and England, where he discussed the question of a Canadian-West Indian Union with the Colonial Office. Referring to the article that appeared in THE FINANCIAL POST two weeks ago, in which Lord Rothermere's suggestion was discussed in the light of the derisive reception it has received from British financial men, Mr. Crowe said that he thought the suggestion would awaken people to the realization of the value of a Canadian-West Indian-Bermudian-Newfoundland federation, "the one and only way of making the smaller of these countries independent of the United States."

Mr. Crowe, whose business office is in Toronto, and who is interested in large development undertakings in Newfoundland, is an advocate of a British-American Dominion, which would be second to no other nation for variety of climate and resources, lying as it would midway between two of the world's greatest markets—Europe and the Far East—and separated from the third, the United States, only by a row of maple trees. "Canada's future," he urged, "would then confirm the prophecy of two hundred years ago, 'Westward the course of empire takes its way'; and the day would surely come when this Dominion would have a population corresponding with her area and resources, and be the brightest gem in the commonwealth of British nations."

Between the U. S. and Us

Referring to the West Indies, Mr. Crowe declared that the choice now is between absorption by the United States and federation with Canada, adding:

"If the West Indies were federated with Canada, free interchanges of commerce would follow that would lower living costs in both countries, and with Canada's bargaining power with other nations to back up the West Indies in the markets of the world, the present stagnation of these strategically-situated rich tropical British possessions would be changed to abundant prosperity."

Showing what the "peaceful penetration" of the United States means, Mr. Crowe said that republic already has a larger trade wtih all the West Indies than with South America, or even China, with her 400,000,000 customers.

"If the United States increase their possessions and control in the Caribbean Sea," added Mr. Crow, "our Empire will have been deprived of a source of invaluable supplies for which there is increasing demand, and our manufacturers and farmers will have lost a growingly important market of 2,000,000 consumers for their products, while the Empire will have sacrificed a position of high strategic value.

Effect of Panama Canal

"The opening of the Panama Canal had a direct bearing upon the problem of consolidating our Imperial resources in this important part of our Empire toward which our statesmen in the Mother Country, Canada and the West Indies should turn their attention. Otherwise at least some of these islands will be lost to the British Empire. It is but necessary to glance at a map showing the new trade routes that have been opened up by the Isthmian highway to recognize where this opportunity lies.

"Rather than part with any of these outposts of the Empire we should by sounder tariff organization, upon a scientific plan, secure true reciprocity in Empire interchange. Then our financial war obligations would be met without parting with any part of our rich heritage. The ties of blood and sentiment proved strong enough to hold together the scattered possessions of the British Crown throughout a period of terrible crisis and I believe were never stronger than to-day, and we must consolidate and develop the resources of our vast Empire."

WILL INVEST IN EAST

Western Funds Available for Purchase of Securities

Western Canada, with money plentiful and all sections of the country in an excellent financial position, offers a splendid opportunity for the sale of Eastern securities, according to R. O. Johnson, of the Montreal stock brokerage firm of Greenshields & Co., who has returned from a tour of the prairie provinces. Mr. Johnson said:

"The West is in excellent financial position at the present time; money is plentiful, and there seems a strong disposition on the part of investors to seek out more permanent and easily realizable investments than in the past.

"There is a splendid opportunity for eastern financial and brokerage houses in all the four provinces, the three prairie ones in particular, but I found while there that people knew very little of the attractions of our best industrial bonds and preferred stocks, more publicity being given in western papers to securities of United States origin. If some means could be devised to interest these potential investors in Eastern bonds and the better grade of stocks, I believe that the influence would be far-reaching and would tend to materially help in the drawing together of the people of the two great parts of the Dominion."

U. S. MILLIONAIRES

Big Incomes Diminished, Not Increased by War.

WASHINGTON—Million-dollar incomes in the United States were diminished rather than increased by the war. An analysis of income tax figures for the year 1917 just completed by the Treasury Department shows that war conditions in the United States had a decided tendency toward the leveling of incomes. There was a vast increase in the number and size of smaller incomes and a decided decrease in incomes of a million dollars or more a year.

MARCONI AT VANCOUVER

$2,000,000 Wireless Station Planned For Pacific Coast

VANCOUVER.—Construction of a high-powered wireless station, which when completed will be the most powerful radio depot in the British Empire, is proposed for the vicinity of Vancouver by the Canadian Marconi Wireless Company in a provisional application for a license being made to the Government.

The station, which will cost, it is estimated, in the neighborhood of $2,000,000, is designed to handle commercial business between Canada and the Orient. Negotiations are being carried on by the company simultaneously with the Governments of Canada and Japan for licenses to construct and operate the two stations necessary to establish direct communication across the Pacific.

AND NOW IT IS A SHORTAGE OF SHIRTS

Difficulties of Producers Are Largely Result of Reduced Output of Workers

By W. C. A. MOFFATT,
Editor "Men's Wear Review."

Even with Christmas two months away the demand for clothing and haberdashery of all kinds is unprecedented, and merchants throughout the entire country are going to be hard pressed to give a service in any way satisfactory. At the present time the stocks in retail stores are low, alarmingly so in many cases, and production is so curtailed that there is little chance of an augmentation that might tend in any way to smooth the path.

During the past few days a big Canadian company which goes in for the manufacture of shirts, has taken all its travellers off the road, and unless there is an immediate change for the better, other manufacturers will have to follow suit. Canada to-day, for the first time in its history, is facing a shortage of shirts; the manufacturer is unable to secure anything like the raw material required to fill his help, it being a recognized fact not enough, he is having trouble with his help, it being a recignized fact that in spite of greatly increased wages, three girls to-day do not turn out as much work as two girls did in the days before the war. "It is not a question of selling shirts to-day; it is just a question of getting them out," is the manner in which one Kitchener manufacturer expresses himself.

And the conditions affecting the shirt business are applicable, too, to the neckwear trade. The manufacturers have their backs to the wall and are making a valiant fight to hold off the clamoring retailer while at the same time they stretch forth a hand to the textile companies in frantic efforts to secure silk. Here, too, labor problems are very much to the fore, and to make matters worse, boxes in which to encase the finished product at a premium. Production has fallen down badly in these lines, and retailers from all parts of the country are striving by an avalanche of correspondence to secure sufficient supplies to see them over the Christmas season.

RAILROAD EARNINGS

Increases in gross earnings are shown by the three principal Canadian railroads for the week ending October 14th. The total for the three roads is $7,622,860 as compared with $6,703,453, an increase of $919,407 or 13.7 per cent. Following are comparative figures:

	1919	1918	Change	%
C.P.R.	$4,029,000	$3,524,000	+$505,000	14.3
C.N.R.	1,974,750	1,745,665	+ 229,085	13.1
G.T.R.	1,619,110	1,433,788	+ 185,322	12.9
	$7,622,860	$6,703,453	+$919,407	13.7

MANUFACTURERS TAKE INTEREST IN S.A. MARKET

They Are Looking to the Export Trade of the Future

METHODS TO ADOPT

Some Practical Points of Advice Are Advanced by Canadian Trade Commissioner W. J. Egan

Because Canadian manufacturers are to-day enjoying a period of prosperity unprecedented in the history of the country is no reason, in the opinion of W. J. Egan, Canadian Trade Commissioner to South Africa, why they should not give due consideration to the matter of establishing a firm business connection with that country. Nor, with the exception of a few lines, does Mr. Egan see any reason why such a connection should not now be established in spite of the fact that there is a ready demand nearer home for the products of Canadian mills and factories.

Mr. Egan has been in Canada for but three months, and that he has not come on a "fool's errand," and that the reasons he has advanced for the establishment of a new overseas tie are sound, is evidenced by the fact that already he has prevailed upon between 85 and 100 manufacturers to put their names on his list and agree to get after representation in South Africa. At least a dozen firms have signified their intention of sending their own representatives to cover the ground, and by scores of other manufacturers who have been interviewed on the subject an intense interest in the project has been displayed, while on all sides there has been an eagerness to secure information which, according to Mr. Egan, augurs well for the success of his mission.

Guarded Action Essential

At the present time there are a number of points about Mr. Egan's proposition to which weighty consideration must be given. Fully eighty-five or ninety per cent. of the kind of goods that Canada manufactures could be placed in South Africa, but the men who turn out the finished product would have to be prepared to compete with the world. On this understanding it would be an easy matter for Canadians to get "in on the ground floor," as sentiment is in their favor.

With conditions so good at home there is not at present a great deal of incentive to seek foreign business in a great many lines, but on the other hand, there is much in the argument that the manufacturer should look forward to the day when he will again have to fight for his business. When that time comes it will be well to have a market, even beyond the seas, which can be relied upon to take a goodly portion of the factory's output. The establishment of such a connection might be looked upon in the light of insurance against more strenuous days.

Methods to Adopt

But how might this business be secured? What methods would be the best to adopt? There is little room here for argument against the policy of representation as the only sure way of getting a line on a foreign market, providing the manufacturer wants to secure and hold his trade. If the firm could afford it the retention of a man permanently on the field might not be bad business. Should the general application of this principle not be feasible, a policy of co-operation might well be considered. The English traveller goes home every year and the Canadian representative could do the same, as two trips a year, each trip being of four months' duration, are generally made.

Now regarding the matter of remittances: It is not expected that there would be any great difficulty here. South Africa is one of the easiest countries in the world with which to do business, that is from the settlement point of view. The policy favored is cash against documents. The South African merchants want their documents through their own banks, many importers having stated that so little attention has been paid by Canadian shippers to their instructions that for the future they will stipulate on all order forms that they reserve to themselves the right of refusing acceptance of goods unless their instructions re drafts are followed.

With regard to documents it is essential that one copy of invoice and non-negotiable bill of lading should reach customers in South Africa on or before the arrival of the carrying steamer, as "selling to arrive" is a big factor in this trading. Overseas customers, too, should be advised of the consignments coming forward as far ahead of actual shipment as possible. Other countries shipping to South Africa conform to these practices and as trade always follows the line of least resistance, Canadian shippers must be prepared to do these things. Insurance should be placed with companies represented at destination, for when this is not done claims are delayed in settlement from nine to fifteen months, and other difficulties are certain to arise.

The Question of Shipping

It must also be remembered that shipping overseas is not the same as inland. It is important that the packing must be strong and yet not too cumbersome, that batten spaces should not be left that will eat into delivery costs, that the hooping and binding should not be of the baby ribbon variety, and that every crate, case, barrel, bale or single bar of iron even should be marked in such a way that the name of the port of destination is always in evidence. The strapping of heavy bales is another point upon which too great emphasis cannot be placed.

The test of a man's success in export is best judged by repeat orders and he should see to it that the first few shipments are so perfect that it only requires representation to hold and increase future business. If a manufacturer's shipping methods are such that his representative is always trying to excuse errors, it generally happens that the representative and the business are lost about the same time. Shipping goods a distance of some 8,000 miles is not the same as shipping from Hamilton to Toronto.

As a general rule, the initial order is not hard to get. Shipping methods count a great deal in export trade, and remembering and realizing this, the shipping department should be made so thoroughly efficient that the overseas client will have a smooth task passing the Custom entrees. In other words, as Commissioner Egan would say to the manufacturer: "Do your part so that when the customer thinks of the line you manufacture it is the name of your firm that will come before him, although he may have on file fifty other manufacturers of your article."

CONDITIONS BETTER THAN HE EXPECTED

T. A. Russell Back From Western Canada—The Outlook for Prairie Industries

That conditions throughout Western Canada, including the drought-ridden sections of the Southern prairies, are much better than he expected to find them, is explained by T. A. Russell, president of the Russell Moter Car Company and chief executive of the Toronto Exhibition, who has just returned after a five weeks' rail and auto trip through the prairie provinces and British Columbia. Mr. Russell explains that his Western trip only goes to confirm that optimism in the continued prosperity of the country as a whole, which resulted from his experiences during the National Exhibition.

The wheat yield of the West will be about 20,000,000 bushels less than last year, and although that must be regarded as disappointing, the high prevailing price is to some extent a counter-balancing feature. Then the improvement in the late season resulted in much of the late grain getting sufficient growth to make it useful for feed, and this has relieved the livestock situation to a large extent. The Peace River Country had a good season, and Mr. Russell was informed by Lady Rhondda and her party, who has just come out of that district, that there would be an exportable surplus of 5,000,000 bushels.

Particularly good conditions have been experienced in the fruit-growing districts of interior British Columbia and Vancouver is a marked contrast to what it was two years ago. In the Okanagan country there has been a particularly good crop commanding high prices, while on the coast shipbuilding activities continue. Labor conditions in the Kootenay country are also improved and the mining industry is benefiting thereby.

The desire on the part of the Westerners for branches of Eastern Canadian industries so that they may benefit from the manufacture of the goods they consume was impressed upon Mr. Russell. The Westerner does not relish sending his money East much more than the Easterner likes to send his to the States. However, the extent to which the West will become industrial remains to be seen, although in recent years the evening up of the costs of living and labor values has tended to offset one of the greatest difficulties which the Western manufacturer had to contend with.

TEODOLI THEODELI, one of Italy's delegates to the International Trade Conference, now meeting in Atlantic City, lived in Canada from 1906 to 1915, becoming interested in a number of commercial and agricultural enterprises here. In 1915, when Italy declared war, he returned to his native land and enlisted in the Italian army. He was wounded, promoted for merit and decorated with the Italian War Cross. He is now 37 years of age, one of Italy's most respected trade experts.

FEW CANADIANS ARE BLEST WITH LARGE INCOMES

Not One Has Million a Year and Only 41 Over $100,000

AFTER DELINQUENTS

Aggressive Steps Will be Taken to Get the Big Fellows and Farmers Will Also Receive Much Attention

By Resident Representative.

OTTAWA.—In Parliament and elsewhere continual criticisms are heard of laxness on the part of the Government in collecting the income tax at a time when the need of more revenue is staring the country in the face, but it is probable that the course being adopted is the wisest in the long run. There is no reason to suppose that the Government fails to realize the necessity for raising every possible cent it can lay its hands on, and no one would accuse R. W. Breadner, who is handling the matter, with being a lax official, but both they and he also recognize the fact that the income tax is a totally new thing for Canada and requires a certain amount of education into what it means before it can be rigidly enforced. The people have to become accumtomed to it.

There has been a great deal said and written about the enormous number of men who are rolling in wealth and escaping taxation, but when it comes down to cases it is often found they are living on a reputation, or on their capital. A number of reputed millionaires have already been discovered by the exertions of the tax department who have their assets very largely in lines which are in many instances not paying dividends, so that their actual income is away out of proportion in the wrong direction to their capital.

Few Big Incomes

On the 1917 returns there were discovered 185 individuals with an income between $50,000 and $100,000; 37 with an income of over $100,000 and less than $300,000; two over $500,000, and less than five $500,000, and two over $500,000. Of the above, all have paid up. There was no one in Canada with an income of $1,000,000 in 1917.

As a matter of fact we simply have not got the wealth some people think we have. Big incomes are either a product of an old country or a comparatively young one with extraordinary conditions, such as the United States.

At the present time the tax department is beginning with the big fellows, and within a very short time there will be some rather startling prosecutions. It is the intention to first clean up the whole slate for 1917, obtaining convictions wherever necessary. By the amendment to the War Tax Act of 1918, the infliction of the penalty for not filing returns or not paying taxes will be automatic and will be attached to the tax bill. Four convictions have already been recorded in Nova Scotia and one in Ontario.

A Cheerful "Victim"

In every centre in Canada officials have been appointed to make a thorough investigation into all returns made as well as into the case of individuals who have neglected to make returns, and the department is determined that no one shall escape. Even the country districts are being combed out. Down in Cape Breton recently an inspector got after a well-known man, whose wealth was reputed to be large, and, after investigation fined him $600. He paid up with remarkable cheerfulness, and when he found the inspector going to an adjoining district, offered to keep him overnight and drive him there the following day. The inspector was not certain whether the feeling which animated his host was one of hospitality or revenge. In the course of his trip, the son of his host, who was acting as chauffeur, said he "had to stop at his Uncle Duncan's." On examining his list the inspector found he was going there also, and Uncle Duncan had to pay up, to the unconcealed satisfaction of his brother. Next day being Sunday, they all went fishing and forgot their woes.

Autos and Wealth

The possessor of an automobile is a shining mark for the ministrations of the inspector. It presupposes wealth, though the supposition is often found to be so far wrong that it is a wonder where the gasoline comes from. The provincial automobile license lists are very carefully scanned and used as data.

Meanwhile, to show that the department is not asleep, the local inspector has begun prosecutions against four Ottawa citizens for the taxes of 1917 and 1918. The delinquents had been repeatedly warned. Three letters were recently sent them, the last giving notice that prosecution would be begun within ten days. The Act provides for a fine of ten dollars a day after February 28, but the practice of the department has been to limit the fines asked for to $600. Unless the examples now being made have the effect intended, a general campaign of prosecution will be inaugurated which will have no mercy, but will inflict the full penalty of $10 a day. There would seem to be a vast source of revenue here if the department can collect its penalties.

A big drive is to be made against the farmers next, as the returns from them have been conspicuous by their absence.—T.M.F.

BRITISH MAY PUT TAX ON ALL WAR PROFITS

Lord Beaverbrook's Scheme Finds Many Influential Supporters

British capital is faced with the possibility of a tax on all profits made during the war. The plan has the support of many influential leaders of public opinion; lords and labor men alike are pleading for increased taxation to meet the growing deficit in the nation's finances, and though the plan for a tax on war-profits does not find universal approval by any means, it has been seriously regarded by many as the only solution of the problems the Chancellor of the Exchequer must face shortly.

Lord Beaverbrook is sponsor for the proposal to tax war profits and thinks it would bring in more than a million pounds to the British treasury. His scheme is:

"There should be a valuation of the total increase, if any, of the wealth of an individual between August, 1914, and the present year, and the difference, as being due directly to the war, should in justice accrue to the Exchequer."

How Government expenditures exceed the revenue is shown by a statement contained in a copyright cable to the Toronto Globe, which gives expenditure to October 11, as £794,682,369; revenue, £482,481,978; deficit to date, £312,200,691.

The Times calls on the Government for courageous action to increase the country's revenue, and in the event of inaction asks for the Government's resignation.

The Daily Mail thinks that British capital is leaving the country and is being sent to the United States and Canada, there to be invested in great holding companies under a scheme that relieves the British capitalist of a large part of his taxes.

FLOUR MILLS BUSY; SITUATION IS EASY

Present Orders Will Keep Mills Going For Some Time Yet

The past week has seen a better movement of flour into domestic consumption, a return to more normal conditions of sale than have prevailed for the past couple of weeks. This in conjunction with the present export movement is resulting in very fair business for the mills at the present time. There has as yet been no indication of further export business, but as present orders will keep the mills busy for some little time yet, there is no immediate seriousness to the situation.

With the raising of the embargo on feeds there has developed a strong export movement of these goods across the line. This would have been a serious factor some weeks ago, when supplies were very light. With the heavier milling of the present time, however, there is no shortage at the moment, and the business is a very satisfactory one for the mills. There is some interest being centred in this item of mill output owing to the action being taken by the committee on agriculture recently in session at Ottawa, to make the introduction of foreign seeds in such an offence. There has been some anxiety as to just how far this possible legislation might go, as it is next to impossible to eliminate all such foreign matter in the milling of wheat. It is generally believed, however, that the committee will adopt the view that the bran and shorts made from the milling of wheat, without the introduction of other materials will be considered as an honest product. If this condition obtains the mills as a rule will be entirely satisfied.

PROSPERITY IN CENTRAL B. C.

Lumber Mills Open Up and 1,000 Families Settle Down

More than 1,000 families have taken farms in Central British Columbia already this year, it is stated by W. C Riddell, advertising representative for the G. T. P. In all lines of industry activity this summer is the greatest since the railroad opened up Central British Columbia for settlement. Large herds of cattle and horses have been brought in; the district is said to be especially suitable for grazing because of the natural vegetation consisting largely of pea vine and brome grass. Lumbering industries have been very active.

LABOR OBSTINATE AND SHIPWRECKS THE CONFERENCE

Failure to Pass Collective Bargaining Resolution Their Reason

NOW UP TO WILSON

Writer in Boston Paper Says Conference Was Engineered in Interests of Organized Trades Unionism

WASHINTON.—The obstinacy of the labor group, in refusing to allow a single word of the resolution favoring "collective bargaining" to be altered, not even to the extent of allowing employers the same right of "collective bargaining," caused the ship-wreck of the Industrial Conference on Wednesday. Possibly Samuel Gompers is not so much to blame as Frank Morrison, the excitable secretary of the A. F. of L., who in the absence of his chief from a nervous break down, referred to the programme of the representatives of the employers as a conspiracy to ruin trade unionism and in a fanatic address characterized it as:

"Evidence of their blindness to the spirit of to-day animating the masses of America, a blindness of pride that goes before a fall, blindness to the determination of public opinion, that the economic autocrat, the multi-millionaire, the contaminator of Americans through foreign colonization in industrial centres, shall meet the just doom of extinction."

Open Shop Demanded

What aroused Mr. Morrison's ire was a concession asked by the employers, who were willing to support the principle of "collective bargaining" if they too were granted the same right, and the right of the "open shop."

The result is an industrial conference in which the public and the employers are represented, but which has no labor delegates. It is now thought that only the intervention of president Wilson can restore harmony to the conference.

The resolution about which discussion revolved for a whole week before it was rejected, because three members of the capital group refused to support it, read:

"The right of wage earners to organize in trade and labor unions, to bargain collectively, to be represented by representatives of their own choosing in negotiations and adjustments with employers and in respect to wages, hours of labor and relations and conditions of employment is recognized.

"This must not be understood as limiting the right of any wage earner to refrain from joining any organization or to deal directly with his employer if he so chooses."

The withdrawal of Mr. Gompers and his followers resulted.

Conference Attacked

Press comment generally has been quite favorable to the Industrial Conference and many papers have seen good results from the first week's deliberations. Working in the "Boston Commercial," Leo W. Walker, takes another view and says:

"Nothing of a beneficial nature need be expected from the Industrial Conference now in session at Washington. It was ill-conceived, badly organized and the make-up of its membership would not have been essentially different if the whole affair had been staged in the interest of organized labor.

"Many of the delegates who are supposed to represent the public are noted chiefly for their eccentricities. They include labor union sympathizers, social uplifters, distinguished muckrakers and avowed socialists. Men of sound mind and clear vision, like Charles W. Eliot, president emeritus of Harvard University, must be having a very lonesome time there.

"Few of the delegates are truly representative. The leaders of organized labor certainly do not represent the country's wage earners. Employers simply are the hired men of investors; and capital, the backbone of all industrial progress, appears to have no direct representation at all.

"To all intents and purposes the conference was arranged to give aid and comfort to the leaders of organized labor, the buccaneers who are employing lawless methods to hold up the country's industries, who are restricting production and boosting the cost of living at a time when the most of the world's people are needy and well nigh helpless. Fortunately the conference has before it all the details of what is dignified by being called 'the steel strike,' a demonstration that does not show up particularly to the benefit of organized labor."

NFLD. BISHOP'S WILL

Among the assets in the will of the late Right Rev. Llewellyn Jones, Bishop of Newfoundland, who died a short time ago, leaving an estate estimated at $120,806, were a number of stocks and bonds, including: Bank of Nova Scotia, 35 shares, $8,680; 40 shares Dominion Power and Transmission Co., $3,840; eight shares of Bank of British North America, $2,180; 49 shares Canadian Bank of Commerce, $9,065; 24 shares Royal Bank, $4,992; 25 shares preferred Canada Cement Co., $2,250; 15 shares Dominion Steel, $1,350; 20 preferred and 15 common Canada Steamship Lines, $1,770, and Nova Scotia Steel and Coal Co. debentures, $10,120.

BIG STEEL COMBINATION

Lady Rhondda in Deal Involving Sum of $25,000,000

The American Chamber of Commerce in London learns that a big commercial deal has been concluded in South Wales by which H. Seymour Barry, of Merthyr Tydvil, South Wales, acting with Mr. Llewellyn and Lady Rhondda, have acquired the control of John Lysaght, Ltd., manufacturers of sheet iron and steel, who were established in 1857. The deal involves a sum of $25,000,000, and is reported as linking up a number of interests, chief of which is coal and many by-products of sheet iron and steel, which will be further developed. This firm employs at the present time about 8,000 workers, and its average profits are about $2,500,000 per annum.

OPENING IN NORWAY FOR CANADIAN STEEL

Plates and Shapes Needed for Steam Trawlers Now Being Used

There seems to be a chance for Canadian mills taking advantage of an opening that exists in Norway for steel products, that is, if there is enough mill capacity in this country to take advantage of the opportunity. This opening lies in the construction in Norway of trawling vessels. Up to the present time trawlers have not been generally used by Norway on account of a slow and conservative method of adopting new schemes. The use of such vessels at the present time, however, is on the increase, and up to the present a few boats under a hundred tons have been purchased and equipped. These steam trawlers have been put into operation and have proved so satisfactory that, at the present time, Norwegian shipyards are crowded with orders. Some of the companies claim that they have contracts which will keep them busy for the next four or five years. One difficulty lies in the way, however, regarding the scarcity of steel. Quite a few orders have been placed in England, but that market is unable to take full advantage of the offerings made, and a larger part of the business is going begging. Herein lies the chance for the Canadian steel companies. The two important points that Norwegian trawlers operate from are Aalesund and Christiansund. The principal items would be plates and shapes.

QUEBEC C.M.A. TALKS OVER PROFIT-SHARING

Plan Offered to Guarantee Workers Profits in Lean Years

Profit-sharing schemes came in for discussion at last week's meeting of the Quebec branch of the C. M. A. in Montreal, and two plans were submitted, one by an officer of a firm that has had a certain amount of success with a profit-sharing scheme and another by a manufacturer who has a plan which he believes will obviate one of the defects of most profit-sharing plans.

The weak point of most profit-sharing plans is the condition created by the non-distribution of profits when there are no profits to distribute. This F. W. Stuart, of the Cluett-Peabody Company, gave as his reason for bringing in a plan which provides for the building up of a reserve plan out of which employees would be paid during periods of depression and when for any reason their plant was not operating.

Mr. Stuart's plan would be to pay a dividend, equal to any dividends paid on preferred stock, into a fund, out of which the extra wages would be paid when profits were not being made. The project was not debated, but J. J. Walsh, general manager of the C. M. A., promised to submit it to the Industrial Relations Committee.

J. H. Sherrard of the Alaska Bedding Company described a plan of profit-sharing that has been in force among the employees of his company for nine months. Mr. Sherrard stated that early last year his company came to the realization that the dollar was no longer an incentive to greater production by its workers and therefore carefully studied plans for increasing production along different lines. Under the scheme which was decided upon each employee of the company receives a yearly dividend upon his yearly earnings on the same basis as the common stockholders of the company.

An arbitration board has been established to pass upon the cases of any employees discharged. It was promised that no employee would be discharged without cause and any one discharged could go before this board for a hearing as to the justice of his dismissal.

Mr. Sherrard stated that the plan was successful up to date in increasing production, decreasing waste and promoting efficiency generally.

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CANADIAN STEEL INDUSTRIES ARE YET UNAFFECTED

Tonnage Increased, But if Strike Drags, It Will be Felt

WHAT STRIKE COSTS

Men Lose Fifty Million Dollars in Wages—Total Loss is Around Two Hundred Million

By A. R. KENNEDY,
Editor Canadian Machinery

An increasing tonnage is being turned out at several of the Canadian steel mills, and it is correct to say that in certain departments they are operating to something very close to capacity. If reports count for anything at all there must be a very large amount of business for any mill that can provide sheets at the present time. The same might be said of many kinds of bars and shapes.

It cannot be said that Canadian industry is suffering yet to any great extent from the strike that still drags along in the United States steel districts, but the time is not very far away when there will be a shortage of material and a slackening off in the work. One feature that does not give much reassurance is the likelihood that even after the strike is settled it will be some days or weeks before the mills can once more get their organizations into shape and go ahead with production at anything approaching normal rates. Deliveries in Canada from U. S. mills can be placed now around 35 per cent. of orders.

The Shortage in Output

It is possible to come fairly close to the actual shrinkage that there has been in production at the mills. When the strike is over it will probably be found that there has been a departure from normal of about two million gross tons and not more than three million tons of finished rolled steel. This estimate is placed on an estimate of 2,500,000 tons of finished rolled steel a month, which was pretty close to the rate of output when the strike was called on the 22nd of September. When the strike first started the curtailment of output was not less than fifty per cent., and the gains in employment since then have probably brought this down to something around forty per cent.

And of the wages lost to the men out on strike? The fact that a great deal of Liberty Loan paper is being cashed in certain of the steel districts would lead to the belief that the men are not well armed financially and are already beginning to trade in their securities.

But if one has an interest for figures it is not hard to surmise approximately the losses. The strike leaders make claim to having 350,000 men out. Allow an average of $5 for 300,000 of them and 25 days a month. That means for the month wasted the loss in wages has been $37,500,000. The other 50,000 on strike would be the rollers and the better paid men, and it is safe to average them up at $12 per day. That would make $15,000,000 more, or a total of $52,500,000 a month lost by the iron and steel works. Of course, this takes no account of the hundreds of men thrown out of work on account of not being able to work owing to the closing of the mills. Going more deeply into figures connected with the losses following in the wake of the strike, one authority, with a failing for detail, has it that the value of the 2,000,000 or 3,000,000 gross tons of steel mill products estimated as lost by the strike, can be figured pretty closely. Composite finished steel stands at 3.25c a pound, representing approximately the average value of all steel products as they leave the mill, bars, shapes, plates, wire products, pipe, sheets, tin plate, etc. That is $72.80 per gross ton, equal to $145,600,000 for 2,000,000 tons and $218,400,000 for 3,000,000 tons, or $81,900,000 for the 1,125,000 tons estimated as the loss for the first month of the strike. On a basis, then, of two million tons, which by this time must be close to the mark, the total losses in wages and output will reach at least, if not over, $200,000,000.

MAPLE LEAF MILLING

Maple Leaf Milling common had another big week of it selling nearly 7,000 shares on Monday of this week, when the stock had a sensational sale running up to 209, but declining again in the later selling of the week. The feeling that the company is in a good position and that handsome treatment similar to that received by the shareholders in years past may be expected is unquestionably the large factor in the interest displayed in the stock.

PUTTING IN EQUIPMENT

Small Shops Installing Motors—Supply is Good

There are several indications showing that the small shops in this province are busy, and putting in equipment they could not secure during the war. One indication is the demand for motors of small sizes. Usually it has been possible to secure very quick deliveries of these, and they could be supplied almost any time from stock. During the past few months, though, these conditions have changed, and it is a very common thing now for a motor delivery to take from four to six weeks.

This applies particularly to sizes from one to thirty horse-power. Dealers state that the demand is general, coming from a diversified line of industries, many of them being the wood-working shops in the smaller places, where operations are now starting again on a fairly large scale to take care of the building activity that has commenced in many of the communities.

THE MARKET NOW UNSETTLED AFTER GENERAL ADVANCE

Continued from page 1.

ation as it appears from the New York standpoint, it would appear that it is a time to advise caution on the part of the investor. Hayden, Stone & Co. say:

The thought should be kept steadily in mind, that while we are in a great period of inflation, the stimulus is artificial and cannot continue indefinitely. We are constructionists and believe that fortunes can be accumulated only by building up real values. But it would be folly to deny the fact that there must eventually be some reaction to this artificial stimulus. We do not mean to say that there is any immediate danger of a great calamity, marketwise or industrially. There are plenty of stocks which we would not think of selling at to-day's prices. But even admitting that we may not, as yet, have reached the crest of this wave of inflation; we do think that we have come to a point where at least some pause is advisable, and where additional commitments, marketwise, on borrowed money, are decidedly inadvisable.

CHANGES DURING THE WEEK

	Last Oct. 16	Sale Oct. 23	Change
Ames-Holden, com. ...	102	111	+ 9
Do., pref.	110¼	115¼	+ 5
Asbestos Corp., pref...	74	86	+12
Do., pref.	88	95	+ 7
B.C. Fish., com.........	63	66	+ 3
F. N. Burt, com.......	110	105	— 5
Do, pref.	110	105	— 5
Can. Cement, com.....	70¾	73¼	+ 2½
Can. Cottons, com...	*93	96	+ 3
Can. Forgings, com....	*190	185	— 5
Can. Loco., com.	100	101¾	+ 1¾
Do., pref.	94	97½	+ 3½
Carr. Fac., com.	27	29	+ 2
Con. Smelters	31	30	— 1
Crow's Nest Coal	49½	51	+ 1½
Dom. Bridge	112½	113½	+ 1
Dom. Canners, com...	58	61½	+ 3½
Do., pref.	*90	87½	— 2½
Dom. Textile, pref....	*103	105	+ 2
Lake of Woods, com..	215¼	220	+ 4¾
Lyall Cons.	130	144	+14
A. Macdonald	35	39	+ 4
Maple Leaf Mill., com.	*196½	201	+ 4½
Nat. Steel, pref.	42	39½	— 2½
N.S. Steel, com.......	*78	86⅞	+ 8⅞
Ogilvie Mill., com.....	242	250	— 8
Ont. Steel, com.	37	40	+ 3
Do, pref.	*78	83	+ 5
Pacific Burt, pref.	*78½	85	+ 6½
Penmans, com.	109	111	+ 2
Wm. Rogers, com.	66	80	+14
Russell Motor, com....	97	101	+ 4
Do., pref.	95	102	+ 7
Saw.-Massey, com.....	16	21	+ 5
Do., pref.	*55	61	+ 6
Shredded Wheat, com..	140	145	+ 5
Woods Mfg., com.	107	115	+ 8
Nat. Breweries, com...	183½	181	— 2½
Do., pref.	*100	97½	— 2½
Atlantic Sugar, com...	71	76¾	+ 5¾
Do., pref.	115	120	+ 5
Detroit Rly.	98	106½	+ 8½
Quebec Rly.	24	23	— 1
Abitibi Paper, com...	136	148	+12
Brompton	73	81¼	+ 8¼
H. Smith Paper, com.	136½	133	— 3½
Do., pref.	93	99	+ 6
Laurentide	237	243½	+ 6½
Price Bros.	*220	223	+ 3
Riordon, com.	153	157	+ 4
Span. River, com.....	68¼	70	+ 1¾
Do., pref.	115	118	+ 3
Wayagamack	74	83¼	+ 9¼

*Last previous sale.

ABITIBI PULP AND PAPER

The action of the Abitibi Company in placing the common stock on a 6 per cent. dividend basis and two excellent statements issued by the Laurentide and Spanish River Companies, reflect very satisfactory conditions in the Canadian pulp and paper industry.

The Abitibi Company's real earning power, say Greenshields & Co., has probably not been disclosed in the financial statements so far issued. The company's construction programme of the past five years has now been rounded out, its finances are in good shape and the current year should show results considerably in advance of what has been so far reported. As the company had earned more than $110 a share on its preferred stock in the three years to December, 1918, and paid out only $14 a share in dividends, the payment of the balance of $19.25 accumulated dividends was logical, once the working capital position was made secure.

At a recent meeting of Goderich council the tax rate for the year was struck at 44 mills, made up as follows: Collegiate Institute, 3 mills; Public and Separate schools, 7 mills; general, 34 mills. This year's assessment for schools only, $2,361,781; exemptions, $491,000, leaving for general rate assessment $1,870,781. Four mills goes to pay the interest on the Ontario West Shore Electric Railroad guaranteed bonds, $7,500; bonds guaranteed, $150,000.

TORONTO PRICES EXCEED CHICAGO HOG QUOTATIONS

Porkers Bring $18.50 Here and Only $12.50 in States

SHORT MARKET HERE

Farmers Seem Reluctant to Market Their Swine, But High Prices Are Benefiting Packers

By J. L. RUTLEDGE,
Editor "Canadian Grocer."

An unusual situation has developed in the packing industry of late, a situation that in fact is practically unprecedented. In the past hog prices in Canada have borne a very definite relationship to prices in the United States, a premium of something like 2 cents a pound being paid in Canada over the Chicago stockyard price. That premium has been justified on the better quality of the product, which would bring that additional price on the American market.

Recent quotations, however, have cut adrift entirely from the American market standard, and are showing a premium of upwards of 6 cents a pound on Chicago prices. In the United States the Kenyon Bill, aimed to limit the operations of the large packers, has been a large factor in breaking prices, which have been going steadily downward, on Wednesday of this week under fairly heavy selling, averaging only $12.00 to $13.00, while on the Toronto market hogs sold up to $18.60. This condition is the more surprising in that Canada as well as the United States is facing the possibility of restrictive legislation against the packing industry. It was generally believed when this suggestion was first mooted that it would have the effect of forcing heavy stocks of hogs on the market, as farmers had to unload their stock before there were too heavy declines in prices. The actual conditions at the present moment are, however, that stock arriving are unusually light and competitive buying is holding prices at firm levels.

No one appears to know what influence has been at work to limit the incoming shipments of hogs, but the fact remains that the farmer has not shown any marked indication of panic, as was expected would be the case. It may be that the recent turn of political events has given the farmer a greater confidence in his ability to more or less shape his own business destiny, and has, therefore, convinced him of the mistake of crowding a market at the present time.

The turn of events, while it has caused the packers to pay more for supplies than they had expected to pay, has had the advantage also of permitting them to dispose of some of the products of even higher priced hogs, of which they were well supplied, without any further public demands for immediate and ruinous price declines.

BETHLEHEM PROFITS

NEW YORK.—Unlike other steel companies, the earnings of the Bethlehem Steel Corporation for the current year will not be affected to any extent by idleness incident to the steel strike. It is estimated that Bethlehem, after Federal and excess profit taxes, will show a balance in 1919 equal to between $20 and $25 a share on the common stock. For the four years ended December 31, 1918, Bethlehem reported a combined surplus after dividends, equal to $135.39 a share on the common. By the close of this year actual addition to value in a period of five years will amount to approximately $150 a share compared with the present market price of about $105 a share for the common.

ST. LAWRENCE FLOUR

The persistency with which rumor has coupled the name of the St. Lawrence Flour Mills Company with the suggestion of large milling mergers, even while such rumors have to the present entirely lacked any semblance of verity, has left the impression in some minds at least that some such action is in the realms of possibility and that therefore the stock of the company at the present time is worth considering. Sales during the week totalled 1,765 at prices ranging from 116 to 117½.

DOMINION CANNERS

The Dominion Canners have undoubtedly closed one of the most satisfactory seasons in many years past. While conditions early in the year were unsettled the close of the season left nothing to be desired. The pack was not cut short in any way, and will show a heavy total. While prices paid for raw products and labor were far in advance of previous years, the opening prices on some of the products at least indicate that despite these facts the year should be profitable, while even the high prices have not in any measurable degree curtailed the demand. The company is apparently in a good position to clean up its pack in record time. The sales for the week were of a phenomenal character, upward of 35,000 changing hands at prices ranging from 57½ to 65½.

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LAKE OF THE WOODS

Lake of the Woods Milling Co. has received permission to increase its common stock from $2,500,000 to $4,000,000, as there is already $400,000 stock in the treasury. The amount that can now be issued is $2,900,000.

DIVIDENDS

Russell Motor, c...	Nov. 1	1¾	Oct. 15
Do., pref.	Nov. 1	1¾	Oct. 15
Penmans, pfd.	Nov. 1	1½	Oct. 21
Imperial Bank	Nov. 1	3	Oct. 15
Steel of Canada, c..	Nov. 1	1½	Oct. 10
Do., pref.	Nov. 1	1¾	Oct. 10
Standard Bank	Nov. 1	3¼	Oct. 21
Merchants Bank ..	Nov. 1	3	Oct. 15
Dominion Coal, pfd.	Nov. 1	1¾	Oct. 11
Dominion Steel, pfd.	Nov. 1	1½	Oct. 15
Nat. Breweries, pf..	Nov. 1	3½	Oct. 15
R. Simpson, pfd....	Nov. 1	3	Oct. 17
Can. Tea, pref....	Nov. 1	2	Oct. 15
St. Law. Flour, c..	Nov. 1	1½+1	Oct. 18
Do., pref.	Nov. 1	1¾	Oct. 18
Int. Nickel, pref.	Nov. 1	1½	Oct. 16
Bank Nationale ...	Nov. 3	2½	Oct. 15
Mon. Knit., pref..	Nov. 1	1¾	Oct. 22
Coniagas Mines ..	Nov. 1	2½	Oct. 20
Brompton Pulp	Nov. 7	1¼	Oct. 31
Penmans, com.	Nov. 15	1¾	Nov. 5
Kamin. Power	Nov. 15	2	Oct. 31
Can. Converters ..	Nov. 15	1¼	Oct. 31
Sterling Bank	Nov. 15	1¾	Oct. 31
Oake Tire, com....	Nov. 15	1½	Oct. 31
Riordon Pulp, com..	Nov. 15	2½	Nov. 10
Mon. L. H. & P., c..	Nov. 15	1¼	Oct. 31
Can. Cement, pref..	Nov. 16	1¾	Oct. 31
Dom. Bridge	Nov. 15	2	Oct. 31
Ont. Steel, pref..	Nov. 15	1¾+½	Oct. 31
Cedar Rapids	Nov. 15	¾	Oct. 31
Mont. L. H.......	Nov. 15	2	Oct. 31
Royal Bank	Dec. 1	3	Nov. 15
Bank of Hamilton..	Dec. 1	3	Nov. 20
Bank of Com......	Dec. 1	3	Nov. 17

LAURENTIDE WILL DIVIDE COMMON INTO THREE PARTS

Definite Plans That Will Produce 18 Per Cent. Dividend

"POWER" SEPARATE

Other Company Will Not Have Part in Reorganization—Getting More Newsprint

By Resident Representative.

MONTREAL.—After a year of rumors concerning plans for a division of the common stock of the Laurentide Company, THE FINANCIAL POST learns that a decision has been reached and that action is likely to be taken by the end of the present year. The intention is to divide the present stock into three parts, and pay a dividend of five per cent. on each, with a bonus of 1 per cent. This latter might be taken to represent the return that Laurentide receives from the Laurentide Power Company, which it practically owns, the 4 per cent. paid each year on the power stock bringing into Laurentide, the parent company, a return of about 3 per cent. on its own stock. It is understood that the original proposal that would bring in Laurentide Power into a holding company has been modified and that the power company will be allowed to stand by itself.

The Laurentide Company is generally ranked second or third by experts, so far as the intrinsic value of its properties, its timber limits, and its possibilities are concerned. It is true that its available supply of pulpwood is now limited, but plans are being perfected for increasing these in the near future. Within the next year the company will have installed two newsprint machines that will increase the capacity of the mills by 100 tons a day, or more than 30,000 tons a year. What this will mean with a steadily rising market for newsprint, as seems certain to prevail, needs little amplifying. One indication of the real value behind the statement of assets of the Laurentide Company is the item of investments, that runs about $1,600,000. This includes the controlling interest in the Laurentide Power Company, and this is believed to run about $5,000,000 at least on a conservative basis.

Company's Position

The statement of the company for the year ending June 30, 1919, showed profits for the year of $2,955,976, an increase of over $350,000, as compared with the previous year, and an increase of over $2,000,000 compared with the first year of the war, or over three times as great. The working capital of the company on June 30 last stood at $5,355,670, as compared with the small amount of $65,774 in 1915. There is no preferred stock to rank before the common stock, which amounts to $9,600,000, and by the beginning of the year, it is announced, the company will have wiped out the bonds outstanding, which now amount to $565,778. As is referred to elsewhere there is a suspicion that the Laurentide Company is angling for the Wayagamack limits, which are close to their own, and which, if secured, would provide them with an ample supply of pulp wood.

The stock this week showed unwonted strength, and rose to a new high of 246 by Thursday. By the afternoon it had eased off to 243½. This was therefore a red letter week for Laurentide, as the former mark was 240, which was reached no less than seven years ago, in the days of 1912.

DETROIT UNITED

Vice-President Denies Reported Doubling Up of Stock

MONTREAL.—A denial of a report that the executive of Detroit United Railway was considering the issue of new capital and the giving to the shareholders of two shares for one, or of three for one, was made by A. J. Ferguson, vice-president of the company. The suggestion had been made that the new stock would bear interest of 6 per cent., or if there were three shares to one that the dividend would be 4 or 5 per cent.

"There is not the slightest foundation in fact for such a story," Mr. Ferguson declared. "The directors have never even contemplated any such change of policy and the report is, in all probability, the product of some fertile imagination whose chief interest in the matter is connected with the stock market.

"No new financing of any kind is planned for the near future, although the rapid growth of the city of Detroit may necessitate some extensions of our lines in the next few years. The necessary funds for this purpose would likely be raised through the usual medium of a bond issue, but, as I have stated, no such action or extensions are being considered at the present time."

Mr. Ferguson added that the ultra-political agitation against the railway had resulted in a radical swing of sentiment towards the company on the part of the citizens of late.

The stock surprised the Street this week by jumping up some 13 points from the level of 97 which it had reached. There was an easing off in the price of four to five points by Thursday, but considerable buying took place. THE FINANCIAL POST is informed that the immediate occasion for the rise was the receipt of two fairly large buying orders.

LYALL'S SUSCEPTIBLE TO FLOOD OF RUMORS

Stock Jumps on Slightest Buying and is Sent Down Again—Successful Motor Test

By Resident Representative.

MONTREAL. — The market for Lyalls stock is becoming very susceptible to the slightest rumor, and there is evidence of an effort to "sit on the lid" on the part of some, lest it might fly off like it did a couple of weeks ago when the stock ran up some 65 points in three or four days, to a high of 161, and then slumped in rapid order to 115 again. On Wednesday of this week, after opening around 140, the stock ran up to 147; a few minutes later it was down to 141. Opening here on Thursday a few sales sent it up to 147½; from this it dropped to 142, then ran up again to 145.

Reports were current towards the end of this week as to a successful trial of the motor engine in Montreal. The officials of the company continue to decry any wild scramble after the stock, until they are in a position to make a definite announcement of the results of the severe trials to which the motor must be subjected before it can be accepted as a commercial undertaking. As it stands at present the slightest attempt to accumulate the stock is met with a rapid rise, and once more there must be an unloading to keep the price down. It is a noticeable fact that the brokers are of late increasing the margin they are asking on this stock, and some of them have raised the "ante" to 45.

'PEG PEOPLE WILLING TO PAY HIGHER FARES

Opposition to Fare Increase Comes From the City Authorities

By Resident Representative.

WINNIPEG.—The citizens of Winnipeg are not grumbling at the increased street-car fares granted to the Winnipeg Electric Railway Company by the Public Utilities Commission of the Province. They seem to realize that they could not be furnished an efficient street car service unless the company were allowed to increase fares to meet increased operating costs. It was largely a question of either granting the fares, or doing without street cars, for had the increase not been granted the company could not have paid the increased wages demanded awarded the employees by the Maher commission, and a strike would have been the inevitable result.

The civic authorities, however, are continuing their attacks on the railway, and are still hunting for ways and means to have the fare increase order quashed. Speaking to THE FINANCIAL POST, A. W. McLimont, vice-president and general manager of the Winnipeg Electric Railway Company, stated that he could not understand the motive for the city's opposition, especially as the whole question of whether Winnipeg is to have a good car service or not is in the balance. In view of the fact that the money to be derived goes directly into the pockets of the employees, Mr. McLimont thinks that the best interests of the city could be served by the council allowing the company to charge the fares it has been authorized to charge. Mr. McLimont added:

"As is common knowledge, and as the car riders themselves testify, Winnipeg has been given an adequate street car service, and the frank and educative policy which the Company has pursued has resulted in increased fares coming into effect with but little, if any, opposition from the car riders. That is indication of the fact that the people are seized with the importance to the community of good street car service, and are prepared to pay the cost of such service. What that cost should be has been decided by the Public Utilities Commissioner of Manitoba, who, after going thoroughly into the whole situation, is satisfied as to the necessity of the company receiving more revenue in order to meet higher operating costs.

"The civic authorities, however, are seeking to upset the Commission's order, largely on the ground that the Commissioner has no jurisdiction in the matter. The legal fight developing will no doubt be carried on for some time yet, and I do not attempt to predict what the outcome will be."

MOLSONS BANK REPORT MAKES NEW HIGH RECORD

General Progress of Canadian Banks During Year Indicated

SATISFACTORY PROFIT

A Substantial Increase Shown Over Previous Year—Nearly 20½ Per Cent. on the Bank's Capital

The annual statement of the Molsons Bank as made public this week, and covering the year ending Sept. 30, 1919, marks a new high record of progress by this institution, with marked advances made during the past twelve months. The record is particularly interesting as an early indication of the general progress of Canadian banks during almost a year since the close of the war.

The total assets now stand at $94,513,102, an increase of $16,875,000 over the previous year, or nearly $29,000,000 gain in two years. Deposits, now reaching $63,519,905, show a gain of over $12,000,000 for the year.

Satisfactory Profits

From the point of view of profits, these also are very satisfactory. The total is $818,802, an increase of $106,317 over 1918. These profits represent earnings at the rate of over 20.4 per cent. on the capital, as compared with 17.8 per cent. in 1918, 15.4 in 1917, and 14.6 in 1916.

The profit and loss accounts for the past three years compare as follows:

	1919	1918	1917
Net profits .....$	818,802	$712,485	$615,514
Previ. bal.	248,029	151,826	127,619
	$1,066,831	$864,311	$743,134
Less—			
Dividends ....$	470,000	$440,000	$440,000
Gov. tax	85,000	40,000	40,000
Pens. fund	21,396	21,282	21,308
Pat. funds ...	15,000	15,000	15,000
Res., etc.	200,000	100,000	75,000
Total debt. .....$	791,396	$616,282	$591,308
Balance ....$	275,435	$248,029	$151,826

There is a large increase in Dominion Government securities. On the other hand, the bank's share of aid to commercial institutions is indicated by the large increase in revenue loans from $36,185,566 to $43,848,428.

THE FINANCIAL POST'S analysis of the liquid position works out as follows:

Immediately Available Liquid Assets	1919	1918	Change
Special .....$	556,519	$ 553,360	+$ 3,159
Dom. notes..	5,298,589	6,573,781	— 1,275,192
Note cir. dep.	231,000	239,000	— 8,000
Notes, bank..	595,450	514,356	+ 81,094
Bank bal....	54,957	27,386	+ 27,571
Do., abr. ..	2,106,679	2,455,730	— 349,051
Cheques	4,346,475	3,171,246	+ 1,175,229
Gold res....	2,500,000	3,000,000	— 500,000
	$15,689,669	$16,534,857	—$ 845,190
Other Assets			
Govt. sec. ..	$13,562,072	$ 7,536,517	+$6,025,555
Mun. sec. ..	9,781,573	9,635,863	+ 145,710
Other sec. .	1,054,532	752,606	+ 301,926
Call loans ..	7,618,187	4,148,353	+ 3,459,834
Cur, loans ..	43,848,428	36,185,566	+ 7,662,862
Over. debts..	17,599	20,139	— 2,540
Let. of Cred..	5,939	194,237	— 8,298
Real est. ..	103,464	90,177	+ 13,287
Mortgages ..	8,351	9,024	— 673
Bk. prem. .	2,525,000	2,325,000	+ 200,000
Other assets	298,278	205,680	+ 92,598
Totals	$78,823,423	$61,103,162	+$17,720,261
Total assets	$94,513,102	$77,638,029	+$16,875,073

Liabilities to Public	1919	1918	Change
Circulation	$ 7,015,344	$ 7,796,679	—$ 781,335
Dem. dep. .	11,830,422	9,218,017	+ 2,612,405
Savings ...	51,689,483	42,194,559	+ 9,494,924
Due else. ..	1,375,206	208,493	+ 1,166,713
Due bks. Can.	484,775	263,430	+ 221,345
Bal. due Gov.	12,423,185	7,857,097	+ 4,566,088
Let. cred. .	5,939	194,237	— 188,298
Other liab..	290,939	246,209	+ 44,730
Total	$85,115,293	$67,977,721	+$17,137,572
Liabilities to Shareholders			
Capital ...$	4,000,000	$ 4,000,000	....
Reserve ...	5,000,000	5,000,000	....
Div. due ..	122,371	111,275	+$ 11,096
Bal.	275,435	248,029	+ 27,406
	$ 9,397,806	$ 9,359,304	+$ 38,502
Total liab. .	$94,513,102	$77,638,029	+$16,875,073

LAKE SUPERIOR CORPORATION

Lake Superior Corporation shares have figured quite largely in Philadelphia trading this week, where the stock is listed. One day no less than 14,000 shares changed hands, and the stock rose to 25. Yesterday it sold at 24¼. At the high point of 25 it was within ⅛ of last year's high in July. Many large blocks were taken on the advance, which was looked upon as a delayed response to the rise in other steel stocks and speculative issues on the Philadelphia board. The company's income 5 per cent. bonds stiffened to 67, an advance of 1 point. Alterations to the present rail mill of the Algoma Steel Company, the Lake Superior's chief subsidiary, at Sault Ste. Marie, are proceeding, and it is expected that 15-inch beams and channels will be ready for delivery by the middle of December. Work on this extension has been proceeding all summer. Plans for the structural mill are ready, and the company is arranging for financing this extension. There has been an increase in orders of late, which is taken as an indication of better business conditions. Orders for steel for building purposes have been prominent.

C. N. R. PILES UP DEFICIT

Will Total Nearly $23,000,000 by End of the Year

Answering questions put in the Senate by Senator Casgrain, the Government stated that a net deficit on the operation of the Canadian National Railways of $5,587,028 is expected for the current year, which is additional to deficits totaling $17,011,875 piled up by December 31, 1918. Receipts from all sources between October, 1917, and August 31, 1919 were gross earnings, $93,502,669; proceeds of notes sold to the public, $52,871,608; advances from the Government, $71,606,463.

For the same time, expenditures included operating expenses, $93,188,470; expenditure on construction and improvements, $56,346,558; and repayment of coupon notes and loans and also interest, $71,356,256.

DOMINION STEEL CO. PLANS DEVELOPMENTS

President Mark Workman Says They Will Mean Much in Future

President Workman, of the Dominion Steel Corporation, intimates that there are developments under way that will mean much to this concern in years to come. The exact nature of these developments are not announced. Mr. Workman has gone to Sydney to look over the developments that have taken place at the plate mill. He said:

"Although I do not wish to make a definite pronouncement at this time, our plans are being matured to include a most comprehensive scheme which will mean the further expenditure of large sums at the Sydney plant. The industries arising through the organization and operations of the Dominion Steel Corporation has to bridge over the period between wooden and steel ships. The plate mill, now almost completed, is the natural step towards creating Canadian fleets, and the revival of the prosperity which follows maritime development and expansion.

"With the source of supply of material at her doors, Nova Scotia has made a striking advance towards regaining her one time prominence as a shipbuilding community, and I have no hesitation in saying that I believe the time is not far distant when the largest ocean-going vessels will be built by Nova Scotia workmen from Nova Scotia materials.

"I may say also that we have spent nearly a million and a half dollars in Newfoundland in order that our mines and quarries may properly balance our Cape Breton operations. It will, of course, be appreciated that all our activities are dependent one upon the other and prosperity in the province immediately reflects prosperity in Newfoundland."

UNLISTED SECURITIES

Stocks	Bid	Asked
Alta.-Pac. Grain, com......	128	132
Do., pref.	87	89
Belding-Paul, com.	45	50
Do., pref.	88	95
British American Ass.....	9	12½
Can. Machinery, com......	20	25
Do., pref.	48	53
Can. Westinghouse	115	125
Canadian Oil, com........	45	50
Do., pref.	95	100
Carter Crume, pref.	65	72
Can. Marconi	3	4
Can. Mortgage	67	72
Cockshutt Plow, pref.....	80	88
Collingwood Ship., com. ...	32½	38
Dom. Power & Trans., com.	47	55
Dunlop Tire, pref.	95	99
Home Bank	92	93
Illinois Traction, pref.....	75	78
King Edward Hotel, com...	57	64
Loew's, Toronto, com	155	175
Imperial Oil	430	475
Kupawa Paper, com........	30½	..
Massey Harris	100	115
Page Hersey, pref........	74	...
Wm. Neilson, com.	54	65
Sterling Coal, com.	15	17
Sterling Bank	103	110
Trust & Guarantee.......	79	82
United Cigars of Can., pf.	1¾	2¼
Western Assurance	11	14
Whalen Pulp & Paper, com.	25	30
Volcanic Oil & Gas.......	80	88
Bonds—		
American Sales Book, 6s..	90	94
Algoma Steel Corp., 5s....	55	65
P. Burns, 1924, 5s.........	100	103
P. Burns, 1931, 5s.........	96	99
Can. Machinery, 6s........	79	82
Collingwood Shipb'ding, 6s	85	90
Eastern Car, 5s...........	92	95
Mex. Northern Power, 5s..	13	15
Morrow Screw, 5s.........	88	92
N. S. Steel Dbs., 6s.......	87	93
Ontario Pulp, 6s..........	101½	..
Porto Rico, 5s	82	85
Sterling Coal, 6s.........	73	76
Stone, Limited, 6s........	94	98
Toronto Power, 5s........	90	98
Tor. & York Radial, 5s....	97	99
Toronto Paper, 6s........	86	92
West. Can. Power, 5s......	54	59

"He Did His Best:

"But he couldn't keep his accounts in shape, and so...."

Of course, the estate, whose personal executor he was, suffered.

Successful administration of estates is largely a matter of such bookkeeping as this Company, through its staff of expert accountants, gives to property in its care.

Our booklets give additional reasons why trust companies make the best executors. We shall gladly send them on request.

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200,000 Preference Shares
Gold Pan Mines, Limited
8% PREFERENCE SHARES, ONE DOLLAR ($1.00) EACH AT PAR NON-ASSESSABLE

These Shares are first charge against the earnings of the Company and will be repaid from the first profits, thus ensuring the return of the investment with interest.

When fully repaid the preference shareholders will then participate in the future profits of the Company on the basis of three parts as against one to the Common Shareholders.

There has already been expended over $100,000 on the Gold Pan properties.

This work has shown up a rich body of ore down to the 265-foot level—the bottom of the main shaft.

The proceds from the sale of this preferred issue is to be used to instal new and more extensive equipment, to carry on further exploration work under ground, and also to erect a mill which is required immediately.

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of Gold Pan Mines, Limited
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J. H. Ashdown Hardware Co., Ltd.
F. O. FOWLER, Vice-President.
North-West Grain Commission
GORDON C. McTAVISH, Sec.-Treas., Barrister.
E. F. HUTCHINGS
Great West Saddlery Co., Ltd.,
S. HART GREEN, Barrister.
S. SCOTT.

The Directors of Gold Pan
Will closely supervise the administration of the Company, thereby giving assurance that your money as well as their own is wisely spent and in this way eliminating to a minimum the risk usually associated with mining ventures without affecting the speculative value.

In our opinion, as well as that of others who are capable of judging, mining of precious metals in Manitoba will within a short time surpass in value that of any other industry.

Cut out attached Application Blank, fill in and mail it to
Manitoba Finance Corporation, Limited
410-11 Electric Railway Chambers, WINNIPEG
Exclusive Sales Agents

Make All Remittances Payable to Union Trust Company Limited
GOLD PAN MINES, LIMITED
Application for 8 Per Cent. Preferred Shares
Fully Paid and Non-Assessable.

To the Directors of
GOLD PAN MINES LIMITED

Gentlemen:—I hereby make application for .... Shares of the Preferred Stock of Gold Pan Mines Limited, and herewith enclose the sum of .... Dollars ($............), being payment in full at price of ($1.00) One Dollar per share.

In the event of an over subscription of this issue I agree to accept such part of the stock applied for as may be allotted to me by the Directors. I hereby authorize you to register me as the holder of said shares.

Mail this to
MANITOBA FINANCE CORP. LTD.
410-11 Electric Railway Chambers.
Winnipeg, Man.

Signature..............................
Name in full..............................
Occupation..............................
Date .... Address..............................

A WILL IS THE MOST IMPORTANT DOCUMENT IN A PERSON'S LIFE,

for on the making, and proper making, of a will may depend, and often does, the comfort, maintenance and peace of mind of a person's near and dear—his wife, children, mother.

If YOU have not yet attended to this all-improtant document, you should lose no time in consulting the trust officers of a modern trust company, for it is the ideal executor and trustee—efficient and responsible.

Our trust officers will be glad to have you call or write regarding your will and your executor. Without obligating you in any way you may have the benefit of their wide experience.

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INCREASE IN NEWSPRINT RATE GOOD FOR MILLS

Conflict Between Manufacturers and Publishers Being Settled

PRICE MAY GO TO $80

Maximum Set for Paper Controller—New Price, Much Higher, for U.S. Buyers, Will be Announced

By Resident Representative.

After an extended litigation, the disputes over prices of newsprint, between the mills and the Canadian publishers appear certain to be settled satisfactorily within a very short time. The net result of this would be that the appeals in reference to prices for newsprint supplied the newspapers since the first of December last would be withdrawn, and a new working agreement entered upon, that would be in effect for the first six months of next year. A basis of settlement, the FINANCIAL POST learns, has been reached between committees representing the two sides, and if these proposals are accepted by both bodies the question of fixing a price for the first half of next year will be left in the hands of the Paper Controller, R. A. Pringle, K. C. It is taken for granted that as soon as the official announcement is made of the ending of the war that the war measure that brought the mills under control in the matter of price will cease to have effect, and that automatically price control will vanish from the Canadian field, as it did some time ago in the United States.

No Change in 1918

It will be remembered that the last decision of the three judges that were appointed to hear the appeal from Mr. Pringle, fixed the price of newsprint for the five months from July 1, 1918, to Dec. 1, 1918, at $66 a ton, which was a reduction of $3 a ton from the price that had been fixed at first. The price the newspapers have been paying since that time has been the old one of $69 a ton. There was a possibility of this being changed on appeal either to a lower amount, or being increased, but the friendly relations that have been established with the publishers mean that there will be no change for the balance of 1919.

As for the new price, it is generally expected that this will run considerably higher than the $69 of to-day. Indeed the FINANCIAL POST is informed that the price of $80 a ton has been set at the maximum in the suggested reference to Mr. Pringle. If only one-half of the advance covered by this is decided on, making about $75 a ton, this will make a difference of about $6 a ton, or in the neighborhood of $4,500,000 more for the mills for the year. If the $80 is reached the difference would run well over $9,-000,000.

Higher Prices Coming

But this is not all the good news that will react to the advantage of the holders of pulp and paper stocks in the next few weeks. It is learned that in a short time there will be decided the price that will be charged the United States publishers for their newsprint for at least the first six months of the coming year, and indications are that this will be in excess of $80 a ton. Fully 90 per cent. of the output of the Canadian mills goes to the United States so that the advantage will be even greater than the basis fixed for the Canadian publishers, for it is taken for granted that the price for Canada, where the raw material is secured, will be less than the price for export purposes.

For nearly every aspect the outlook before the shareholders of the newsprint mills is brighter than ever for the coming year, and much of the appreciation in values that has been taking place the past few weeks is, no doubt in the way of discounting the great possibilities that are before these securities.

BROMPTON PROFITS TO GO OVER $2,000,000

Showing for Last Six Months of Year Running Over Double 1918

By Resident Representative.

MONTREAL.—Important developments have taken place in the past week in connection with the Brompton Pulp and Paper Company, which tend to increase the possibilities for development. As the result of an inspection of the Brompton properties, both in Canada and the United States, by representatives of another powerful mill, it was decided to acquire a large quantity of the stock for investment purposes, and in addition another large block was taken up by English interests with very considerable Canadian connections, for permanent investment. Altogether some 12,000 shares of the stock has passed into other hands. Whether ultimately the new interests will be represented on the Brompton Board has not yet been announced.

Some information as to increasingly favorable conditions under which the Brompton Company is operating were learned by The FINANCIAL POST this week. For the first half year the earnings of the company as announced were not running ahead of the average for the whole of last year, that is about $500,000. The last six months, it is learned, have been showing earnings at a rate exceeding $2,000,000 a year, so that the last six months' period will double the earnings of the first half, or make a total well in excess of $1,-500,000 for the year 1919. This would mean a percentage of quite 16, as compared with 9.1 available for common dividends that was shown last year, when the earnings amounted to $1,051,000, for out of this there had to be deducted only $414,000 covering depreciation, bond interest, and the preferred dividend on $2,000,000 stock. As there is every indication that the earnings with which the company's fiscal year is closing will be continued through next year on at least as large a scale, it would be no surprise to those in close touch with the company's affairs to find a percentage of 28 to 30 earned in 1920 by this company. The capitalization is $11,375,000, as follows:

Bonds	$ 2,375,000
Preferred stock	2,000,000
Common stock	7,000,000
Total	$11,375,000
Earned on common, 1917	9.57%
Earned on common, 1918	9.10%
Est. earn. on common, 1919	16.00%
Current assets	$3,093,467
Current liab.	1,279,673
Balance	$1,813,794
Add. investments	479,925
Total working capital	$2,293,719

	Prod'n	Used by Co.	For Sale
Ground wood	60,000	45,000	15,000
Unbl. sulphite	25,000	17,000	8,000
Kraft pulp	27,000	27,000	.....
Box board	15,000	.....	15,000
Kraft and bond paper	51,000	.....	51,000
Newsprint paper	34,000	.....	34,000
Total, tons	212,000	89,000	123,000

According to its production, this company has one of the lowest funded indebtedness (bonds) of any mill in Canada. The earnings show a steady increase with the exception of 1918, from $200,794 in 1913, to $1,-500,000 (estimated) in 1919.

One of the strongest points about this company is its diversified output: in its several mills at East Angus, Bromptonville, Groveton, N. H., and Claremont, N.H., it supplies raw materials for many of its own mills; it is itself its own market for nearly 50 per cent. of its own productions.

The dividend has remained 5 per cent. all this year, but an increase next year to 6 per cent. seems reasonable to expect.

The stock on the heavy buying, incidental to the transfer this week, run up to a high this year of 86, but eased off to around 81-82 later on.

B. C. FISHING

Phenomenal sales were the order in the common of the British Columbia Packing Association, at a range of from 62¾ to 75, with the general selling favoring a mean between these figures, some 22,820 shares changing hands. Last year, which was not a year of any very satistory business, the association was able to declare a satisfactory dividend, and the inference evidently is that with the very much better season just past the stock at its present figure should be a good speculative buy.

WESTERN CANADA FLOUR COMPANY'S PROFITS LOWER

Did Not Equal High Level, But Better Than 1917 and Before

IN GOOD POSITION

A Material Improvement is Shown in Surplus of Current Assets Above Current Liabilities

The moderate shrinkage in profits from the high level established in 1918, as shown in the annual statement of the Western Canada Flour Mills Company, presented to the shareholders at the annual meeting this week, was not a matter for surprise considering the conditions which have prevailed. The net income after making provision for depreciation, for bad and doubtful debts, and for taxes, amounted to $437,986 as compared with $543,845 a year ago, but there was a substantial margin shown over the $418,022 of the 1917 report and a much larger margin over the $376,-260 in the 1916 report.

Bond interest took $83,555, leaving $352,431 for distribution to the shareholders, equalling 14.4 per cent. on the outstanding capital stock as against 19.9 per cent. last year. Dividend distribution took $500,000, being in the shape of a regular 10 per cent. last annum and an additional 10 per cent. in the shape of Victory bonds. It will thus be noted that the total distribution was more than the profits and with bond interest added there was a considerable reduction of the surplus, the total of $858,434 being cut to $712,-865 Following are comparative figures:

	1919	1918	1917
Brt. forward	$ 858,434	$ 844,651	$ 688,268
Vic. bond div.	250,000	......	......
	$ 608,434	$ 632,181	$ 688,268
Profits	437,986	543,845	418,023
	$1,046,420	$1,176,026	$1,106,291
Bond. Int.	83,555	87,890	91,664
Dividends	250,000	229,702	169,976
Balance	712,865	858,434	844,651
	$1,046,420	$1,176,026	$1,106,291

Labor Troubles a Factor

In referring to the decrease in profits as compared with the previous year, President A. Kelly says that this is largely the result of strikes and labor troubles beyond the company's control, necessitating the shutting down of some of the mills for a considerable period and resulting in loss of considerable business. Apart from this feature he regards the results as satisfactory. Mr. Kelly points out that the quality of this year's wheat is not as profitable for milling purposes as last year, but provided sales can be made and production kept up, the company should be able to operate with favorable results to the shareholders.

The balance sheet indicates that the company is in a strong position, particularly as regards operating capital, the surplus of current assets of $2,110,171 being more than a million dollars greater than the current liabilities of $1,101,626. This improvement in the liquid position was effected despite an increase in inventory of some $425,000, this item appearing at $935,779, as against $509,084.

ROGERS DIVIDEND

Dividends at the rate of 7 per cent. per annum on the prefered shares of Canadian William A. Rogers, Limited, for nine months ending March 31st, have been received by the shareholders. The company did not earn its dividend during the year ending March 31st, and, therefore, a claim was made upon William A. Rogers, Limited, for the amount in accordance with the guarantee arrangement, payment being received accordingly. No further action will be taken regarding dividends until after the close of the current year.

In the meantime it is learned that, despite difficulties in the silver plate manufacturing trade, the company is showing good results, a much improved organization, effected at the expense of some immediate loss, being an important factor. The marked improvement which has taken place in the market for the company's securities is no doubt a reflection of these conditions.

NOVA SCOTIA STEEL

Directors of Scotia Steel and Coal are evidently losing no time getting down to business in England, as a despatch from London a few days ago stated that: "The Nova Scotia Steel and Coal Company is making arrangements for the sale of iron ore to Britain and later the finished product. Mr. Thos. Cantley, who with Messrs. Ross and McDougall, of the company, will be here for some weeks, said the company sold iron here before the war, and they hoped to resume business. They will also visit the Continent, and it is expected there will be a market there for rolling stock. Mr. Cantley denied that his presence in England had anything to do with a merger."

Real Service to Business Men

The Bank of Toronto is prepared to afford every assistance possible to responsible business men engaged in the development of the manufacturing, commercial and agricultural industries of Canada.

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THOMAS F. HOW
GENERAL MANAGER

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New Victory Loan

Now is the time to consider the matter of your investment in Canada's Final Victory Loan.

YOUR PART

In the interests of Reconstruction and to ensure the continuance of present prosperity, it is imperative that every Canadian subscribe to the utmost of his ability.

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Let us secure quotations on your present holdings, listed or unlisted and arrange a sale so that you may be able to buy more heavily of the new loan.

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Res. Fd. £2,570,000 Together £5,070,000
Res. Liab. of Proprietors....£5,000,000
Total Capital and Reserve £10,070,000

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The Bank Has 181 Branches, viz:

In Victoria	41
In New South Wales	39
In Queensland	19
In South Australia	14
In Western Australia	21
In Tasmania	3
And in NEW ZEALAND	44

Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

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A great many people fail to save money simply because they put off making a beginning. They think they must have a substantial amount before they can open a savings account and that there are a great many formalities in connection with opening such an account. This Corporation accepts as small an amount as One Dollar and makes the opening of an account a very simple matter indeed. Open an account with us to-day and receive interest thereon at

THREE and ONE-HALF

per cent. per annum paid and compounded twice each year

Canada Permanent Mortgage Corporation

Toronto Street, Toronto

Capital and Surplus......$11,672,509.77
Investments $31,461,387.24

Established 1855.

OGILVIE FLOUR

Under light trading for the week Ogilvie Milling Company common advanced to 245, a three-point advance on the prices that have prevailed for some weeks past.

SAVE

Your Money For

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J. E. CARTER
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GREATER DEMAND WILL MEAN MORE COPPER ACTIVITY

Mines Await Normal Market Before Producing to Capacity

RESULT IN CANADA

Copper is Produced in British Columbia, Ontario and Manitoba—After-War Stocks Were Very Large

Copper is in point of value the second most important metal produced in Canada. Only the value of the nickel produced in Canada last year exceeded he value of the copper ore produced, and copper and nickel between them make up about 60 per cent. of Canada's metallic mineral production in 1918. This year the production of copper in Canada wil' probably fall far below last year's total of 118,415,829 pounds, valued at $29,163,450. A comparison of copper production in Ontario, in January-July, 1918 and during the same period this year, is probably indicative of the decreased production that prevails in all Canada's copper producing bearing areas. The value of copper produced in Ontario for he first six months of 1918 was $4,283,040; in the first six months of the present year it had fallen to $1,128,753.

The reason for the decline in copper production has been the lack of a market. The ending of the war found the world with larger stocks of copper than it needed during the reconstruction period. With demand from munition manufacturers, and armament makers entirely cut off, the copper producing industry faced the prospect of curtailing, and in some cases stopping production entirely, until the readjustment of the world's industries built up the demand again. The decline in copper production was caused by different factors than those that caused a decline in the production of silver and gold. Silver production fell off because of labor troubles. The silver mines have a vast market for the white metal, with prices at figures unheard of in the last two generations and yet cannot produce at capacity because of the inability to get enough workmen. and to make their present workmen produce at their full pitch of efficiency. Gold production, which of course is centred in South Africa, but which is also one of Canada's great industries, has also had labor troubles to face. It has also had the disadvantage of a fixed price for its product, which could not be marketed to better advantage even though all producing costs were soaring.

Production is Cut

The slight recovery in copper prices of a few weeks ago brought the metal to around 21½ cents on the New York market. During 1917 the copper produced in Canada sold at an average price of 27.18 cents, and in 1918, the average price was 24.63 cents. But even at 21½ cents there is little demand. The copper producers of Canada and the United States are facing the situation and will probably keep their mines producing at only a bare semblance of last year's output until the renewed operation of European industries and improvements in the exchange rate create a stable market for the red metal. Some American producers blame the tardiness of Congress in ratifying the peace treaty for the weakness of the foreign market for the metal. One thing is certain that only more business will bring a stable market.

In Canada, there are vast copper deposits, and British Columbia is the most active in production at present. The chief producers are the Granby Company, operating two smelters and several mines, the British Columbia Copper Company and the Consolidated Copper Company. Copper has been produced in Northern Manitoba and taken to Trail, B.C., for treatment, but this production has been very insignificant when the vast potentialities of the district around Le Pas are taken into consideration. The recent purchase by the Hayden-Stone interests of the famous Flin-Flon mine, at a price said to be in the neighborhood of $7,000,000 is an evidence of the value of the copper reserves of Northern Manitoba.

In Ontario copper is produced largely as a by-product of nickel, mined at Copper Cliff, and production depends entirely on nickel production. There are also copper mines near Port Arthur and in the Rainy River and Temiskaming districts. There are also copper mines in Quebec and in the Yukon.

LAURA MINES LTD.

To develop a mineral claim in the Rice Lake district of Northern Manitoba, a new mining company has been incorporated under the laws of that province, to be known as the Laura Mines, Ltd. The total capital stock is $2,000,000.

COAL PRODUCTION DOWN

Figures Higher in August Than in July, However

Coal production in Canada in August totaled 803,744 tons, an increase of 200,000 tons over the figures for July, but a reduction of over 600,000 tons from the figures for August, 1918.

Coal production by provinces was as folllows:

	Aug., 1918	July, 1919	Aug., 1919
Nova Scotia	507,446	446,205	468,522
New Brunswick..	58,435	12,700	15,198
Saskatchewan ...	22,146	18,332	18,564
Alberta Anthracite	10,308	726	2,504
Do., Bituminous	275,368	4,947	31,610
Do., Lignite ..	293,918	46,214	104,467
Total Alberta ..	579,594	51,887	138,581
British Columbia	266,577	152,303	162,884
Yukon	600	......	......
Total for Canada	1,404,798	681,427	803,744

In addition the imports of bituminous coal for August, 1919, were 1,526,735 tons, whereas August, 1918 shows 2,116,437 tons. The imports of anthracite coal for August, 1919, were 586,570, and August, 1918, 461,651.

BAILEY COBALT MINES

After five years of litigation the affairs of the Bailey Cobalt Mines, Ltd., are being straightened out. An offer has been made by A. J. Young to purchase all the assets of the Bailey Mines and to amalgamate with them the Northern Customs Concentrator of Cobalt. The Master in Ordinary at Toronto has directed that the offer be accepted. It is proposed by Mr. Young to form a company known as the "Bailey-Northern Customs, Limited," which company will own all the Bailey mines and property and the Northern Customs Mill and the Bailey shareholders will receive stock in the new company in exchange for stock in the present Bailey company.

MINING STOCK QUOTATIONS

Week Ending Oct. 22.

	High	Low	Close	Sales
Adanac	11½	11	11	15,800
Atlas	25½	25	25	15,800
Bailey	6	4½	6	69,000
Beaver	42½	40	40	29,800
Boston Creek	25	..	..	330
Cham-Ferland	9½	..	..	1,000
Coniagas	2.95	2.90	2.90	300
Crown Rese. .	40	35	35	5,100
Dome Ext. ...	34¾	31¾	34	33,200
Dome Lake ..	17	14	15	1,275
Dome Mines .	14.75	14.50	14.50	475
Gold Reef ..	4¼	4	4	5,500
Hargraves ...	2¾	..	..	2,500
Hollinger	7.15	6.96	7.05	3,765
Kenora	18¼	17½	18	16,500
Kerr Lake ..	3.95	3.90	3.90	200
Kirk. Lake ..	40	37	..	12,900
La Rose	41½	39	41½	2,940
McKinley Darr.	75	73	75	1,078
McIntyre	1.99	1.93	..	4,514
Moneta	18	16	..	15,600
Newray	15	14	14	4,455
Nippissing ..	11.95	11.50	11.70	515
Ophir	5	4⅞	4⅞	4,000
Peterson Lake	13	12¼	13	6,000
Porc. Imp. ..	1¾	1⅝	1¾	1,600
Porc. Crown .	28½	28	28½	2,500
Porc. Tisdale.	1⅞	1½	1⅞	76,950
Pres. E. Dome	3	..	..	5,000
Schumacher .	24½	21½	21½	2,800
Tech-Hughes	21½	20	20	14,300
Timiskaming	43	41½	42	20,700
Trethewey ..	32½	30	31	19,800
West Dome ..	11	10½	10½	5,000
Wasapika	1.05	1.03	1.04	12,700
Gifford	1¾	..	..	5,000
Lake Shore ..	1.12	1.07	1.12	15,200
Davidson	79	77½	79	9,000
Mining Corp..	1.80	1.70	1.70	1,855
Con. Smelters	31¼	30	..	1,519
V. N. T.	20½	19½	20½	2,450

Stock Movements of the Week

Week ending October 23, 1919.

	Ask	Bid	High	Low	Close	Sales	Yield to Oct. 16
Banks—							
Commerce	198	197	198⅜	197	197½	145	6.06
Dominion	205¾	205	205¾	205¾	205¾	80	5.82
Hamilton	195	...	196	194¾	194¾	37	6.15
Hochelaga	...	...	158	158	158	50	5.69
Imperial	197	196	197	197	197	36	6.03
Merchants	191	...	192	190	190¼	36	5.67
Molsons	...	194	192	192	192	15	6.31
Montreal	211½	210	210⅞	210	210	71	5.71
Royal	215½	214½	215½	215	215	334	5.58
Standard	211¾	211	215	211	211	31	6.07
Toronto	201½	197	197	197	197	4	6.09
Union	165	162½	163½	162¾	163	114	6.17
Transportation—							
Barcelona	9⅜	9	9½	9⅜	9⅜	20	....
Brazilian	51¾	51¼	53	52	52¼	6404	....
Can. Steamships, com.	66¼	65½	68½	65½	66	1752	5.88
Do., pref.	85½	85	86⅛	84⅞	85½	1643	8.13
Detroit United	109	108½	108½	96¾	106½	5925	8.16
Duluth-Superior	32¼	31½	32¼	32¼	32¼	5	7.14
Quebec Railway	24	23¼	24	21¾	23¼	1970	....
Toronto Ry.	43	40	41¾	41	41	52	....
Twin City	48	46	46	46	46	50	....
Telegraph, Light, Power—							
Bell Telephone	119	117	118	117	118	117	6.77
Consumers' Gas	...	142	140	140	140	55	7.24
Mackay, com.	80½	79¼	79¾	79	79½	142	7.59
Do., pref.	67	66¼	66½	66⅛	66½	60	6.06
Mont. L., H. & P. coms.	90⅛	90	91	90	90¼	1505	5.55
Shawinigan	123¼	123	124	122	122	643	5.64
Industrials—							
Abitibi P. & P, com..	140	139½	145¼	138	145	1580	4.41
Ames-Holden, com. ..	...	110	108¼	102¼	108¼	2873	....
Do., pref.	...	...	116	110	115	8886	6.30
British Col. Fish, com.	67	66½	71	62¾	66½	4916	7.93
Brompton P. & P., c..	82	81½	86	73	82	23378	6.94
F. N. Burt, com......	...	105	105	105	105	35	7.27
Do., pref.	108	105	108	104	105	124	6.36
Canada Bread, com...	25¾	25¼	26¼	25	25½	1133	....
Do., pref.	....	81	81	81	81	115	8.64
Canada Cement, com..	73	72½	73¾	70	73	4697	8.57
Do., pref.	101	99½	101	100	100	59	7.00
Can. Car & Fdry., com.	49½	...	50¾	49¼	49¼	1865	....
Do., pref.	100	99	100	99	99½	625	7.07
Canadian Converters.	69	68	70	69	69	110	7.24
Can. Cottons, com.....	95	94	96½	92¼	95¾	1393	6.45
Can. Fdrs. & Forg., c.	190	...	185	185	185	25	6.31
Can. Locomotive, com.	102½	101½	102	99¼	102	657	6.00
Do., pref.	...	...	97½	97½	97½	1	7.44
Can. Gen. Elec., com..	113½	112½	114	108	114	852	7.20
Carriage Fact., com...	30	29¾	31	27	29	3350	....
Do., pref.	69	...	72	65	71	745	....
City Dairy, pref.	92	91¼	91⅜	91⅜	91⅜	10	7.69
Dominion Bridge, com.	115	114¾	117¼	113	114	3750	7.14
Dom. Canners, com...	63	61½	65½	57½	62	8853	....
Do., pref.	88	87	87½	87½	87½	120	7.79
Dom. Steel Corp.	70	69½	70½	69	69⅞	5675	8.57
Dom. I. & Steel, pfd..	...	...	97	95½	95½	67	7.29
Dom. Textile, com....	...	...	123½	122½	123	470	6.61
Do., pref.	...	...	105	105	105	11	6.79
Goodwins. Ltd., com..	...	25	25	25	25	50	....
Lake of Woods, com...	218	...	220	218	218	231	5.58
Laurentide	240	239¾	244	235	244	5351	5.17
Lyall Construc., com..	137¾	137½	147	127½	141	6022	5.92
A. MacDonald, com...	39½	39¼	40	35	39½	6123	....
Maple Leaf, com.....	203	200	209	195	200	1827	6.12
Do., pref.	104	103½	106	103½	103½	77	6.73
Mont. Cottons, com...	82	79	83	80	83	565	6.09
Monarch Knitting, pf..	...	...	90	90	90	50	7.86
National Steel Car, c.	10½	9½	10½	9¾	10	171	....
Do., pref.	42	40	42	39½	39½	107	....
N. S. Steel, pref.	...	...	105	105	105	5	7.61
Ogilvie Flour, com....	...	240	245	245	245	215	4.95
Ont. Stock Prod., com.	39	38	38	37	38	420	....
Do., pref.	...	83	83	83	83	10	....
Pacific Burt, pref.....	85	84	85	82	85	19	8.97
Penmans, com.	112	111	111	109	111	440	5.50
Do., pref.	...	...	95	93½	93½	35	6.45
Price Bros.	220	...	222	221	222	200	3.63
Rioron P. & P., com..	158¾	...	159	153	156½	2790	6.62
Do., pref.	98	97¾	98	98	98	225	7.14
A. Rogers, com.	...	80	80	70	80	70	....
Do., pref.	...	93	93	93	93	5	....
Russell Motor, com...	101	100	102⅛	94	101	479	7.36
Do., pref.	102	100	102	94⅞	102	375	7.36
Sawyer-Massey, com..	21	20½	21	19	21	190	....
Do., pref.	62	60	62	60	62	70	....
Sher.-Williams, com...	92	90	100	75	92	796	....
Shredded Wheat, com.	150	145	145	140	145	65	5.71
Smith Paper Mills, c..	136	134	135	132	134	470	....
Do., pref.	...	96	99	95	99	110	7.52
Spanish River Pulp, c.	70¼	70	72½	68	70½	14136	....
Do., pref.	118	...	118½	115	118½	5219	....
Steel of Canada, com.	72¾	72	73¼	71	73	2892	8.21
Do., pref.	100	99	100	99	99¾	170	7.07
St. Law. Flour, com..	116	115¾	117½	115	116½	870	5.08
Tooke Bros., com.....	73	70	73	70	71	742	....
Do., pref.	...	...	90	89¾	90	80	7.69
Toronto Paper	...	137	137	137	137	15	4.37
Tuckett Tobacco, com.	59½	59	60¾	57½	60	4490	....
Do., pref.	...	90	90	90	90	40	7.77
Wabasso Cotton	105	...	106	106	106	20	7.47
Wayagamack, com. ..	76	75½	79	73½	77	5915	....
Woods Mfg., com.....	114	112	115	109	114½	510	6.93
Do., pref.	...	86	87	87	87	25	8.23
Atlantic Sugar, com...	76	75¾	77	72½	74	33531	....
Do., pref.	...	120	120	115	120	815	....
Asbestos Corp., com..	80¼	80	91¼	74	88	4540	....
Do., pref.	...	89¾	96	87	96	623	....
Nat. Breweries, com..	182½	181½	183½	182	182	370	....
Do., pref.	...	...	97½	97½	97½	100	....

PICCADILLY LONDON Smoking Mixture

THE FINEST QUALITY PIPE TOBACCO,
THIRTY CENTS PER PACKAGE

GEO. O. MERSON & COMPANY

INDUSTRIAL, COMMERCIAL AND MINING ACCOUNTING

LUMSDEN BUILDING
TORONTO

BUSINESS INSURANCE

on the lives of the men who run the business is just as important as fire insurance on the property. Fire is a possibility but death is a certainty.

The ready cash from a Canada Life Business Insurance Policy at such a time will readjust matters and carry on the business as nothing else can do. Ask for particulars.

CANADA LIFE
ASSURANCE COMPANY

Home Office Toronto

After-war conditions and the telephone No. 8

A Faithful Staff is Indispensable

No company providing a continuous public service could hope to meet the public's demands without a loyal and faithful staff of employees.

The loyalty and fidelity of telephone workers is proverbial. In great emergencies, times of crisis and danger, telephone workers are found sticking to their tasks in order that this vital service may be uninterrupted. On them the heaviest burden often rests.

We gratefully record the fact that Bell Telephone workers have always been foremost in loyalty to employers and the public.

That employees in their turn, appreciate our treatment of them in providing agreeable and stable working conditions, sickness and death benefits, pensions, etc., is apparent from the general harmony between employer and employee and the long service records of so many telephone workers. This continuity of service makes for expertness and efficiency.

And telephone workers appreciate the kindly co-operation of subscribers.

The Bell Telephone Company of Canada

THE BELL TELEPHONE COMPANY OF CANADA
LOCAL LONG DISTANCE TELEPHONE

The Mercantile Agency
R. G. DUN & CO.

Consult us before extending credit or if customers are delinquent.

Canadian Offices:

Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.

Address enquiries to

R. G. DUN & CO.

Dominion Bank Bldg. - Toronto, Can.

DIVIDEND NOTICE

The Consumers Gas Co. of Toronto

NOTICE OF ANNUAL MEETING.

THE annual general meeting of the Shareholders of the Consumers' Gas Company of Toronto, to receive the report of the Directors, and for the election of the Directors for the ensuing year, will be held in the Company's Board Room, 17 Toronto Street, Monday, the 27th day of October, 1919, at 12.00 o'clock noon.

ARTHUR HEWITT,
General Manager.

IMPERIAL BANK OF CANADA

DIVIDEND No. 117

Notice is hereby given that a dividend at the rate of twelve per cent. (12%) per annum upon the paid-up capital stock of this institution has been declared for the three months ending 31st October, 1919, and that the same will be payable at the Head Office and Branches, on and after Saturday, the first day of November next.

The Transfer Books will be closed from the 17th to the 31st October, 1919, both days inclusive.

By order of the Board,

W. MOFFAT,
General Manager.

Toronto, 3rd September, 1919.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

Capital,	$ 9,700,000
Reserve Fund	18,000,000
Total Assets, over	220,000,000

GENERAL MANAGER'S OFFICE, TORONTO
H. A. Richardson, General Manager

BRANCHES:

CANADA—In all the larger cities and towns and throughout each province—254 branches.
NEWFOUNDLAND—St. John's and 18 other points.
JAMAICA—Kingston and 9 other points.
CUBA—Havana.
PORTO RICO—Fajardo and San Juan.
UNITED STATES—New York, 52 Wall Street; Boston and Chicago.

CORRESPONDENTS:

LONDON, ENG.—London Joint City & Midland Bank, Ltd.
NEW YORK—Bank of New York, N.B.A.; National Bank of Commerce.

Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.

Correspondence Solicited

LLOYDS BANK LIMITED.

Head Office: 71, LOMBARD ST., LONDON, E.C. 3.

CAPITAL SUBSCRIBED	£31,304,200
CAPITAL PAID UP	5,008,672
RESERVE FUND	4,000,000
DEPOSITS, &c. (Dec., 1917)	174,697,945
ADVANCES, &c. do.	61,466,709

THIS BANK HAS NEARLY 900 OFFICES IN ENGLAND AND WALES.
Colonial and Foreign Department: 17, Cornhill, London, E.C. 3.
London Agency of the IMPERIAL BANK OF CANADA.
The Agency of Foreign & Colonial Banks is undertaken.

French Auxiliary:
LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

NIAGARA FIRE INSURANCE COMPANY

Incorporated 1850 Head Office: NEW YORK

Cash Capital: $1.000.000.00.
Total Assets Dec. 31st, 1918: $10.286.583.97

Canadian Department: MONTREAL W. E. Findlay, Manager
Toronto Agents: - - Murphy, Love, Hamilton & Bascom

When a purchasing agent says "just a minute"

That is his polite way of saying "I'm not certain that your price is acceptable. Hold the line till I look up the Selected Market Quotations in CANADIAN MACHINERY."

He may not know that the managing editor of CANADIAN MACHINERY personally compiles these market reports. But he does know, from experience, the dependability of CANADIAN MACHINERY'S quotations on all raw and finished materials entering into the manufacture of mechanical and general engineering products. He consults CANADIAN MACHINERY'S Selected Market Quotations because in these days of reconstruction it would be folly not to.

CANADIAN MACHINERY AND MANUFACTURING NEWS

MONEY BANKING AND EXCHANGE

ALL BUT FOUR CITIES REPORT HIGHER RETURNS

In the East Clearings Are Higher by 56%—In West 14.7%

WINDSOR GAINS 176.9%

Gain for the Dominion is 41.0%—Montreal Gains 80.6%; Toronto 32.6% and Winnipeg 7.5%

Returns of bank clearings for the week ending October 23, again show substantial gains as compared with the figures for the corresponding period in the previous year. Eastern cities show a total for the week of $303,026,368, a gain of $108,904,930, or 56 per cent. Sherbrooke is the only city in the East to show a falling off, while Windsor, with a total of $3,232,192, shows a percentage gain of 176.9. Kitchener also reports a substantial gain at 85.6 per cent. Montreal shows a gain of 80.6 per cent., and Toronto a gain of 32.6 per cent.

In the West the total is $127,608,827, a gain of 14.7 per cent., Regina, Moose Jaw and Lethbridge being the only cities to report a decline. The largest percentage gain in the West is shown by Victoria, the increase being 74.1. Edmonton also shows a large increase at 62.5 per cent. The total for the Dominion is $430,635,195, a gain of $125,265,530, or 41 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

Eastern Cities

	Oct. 23, 1919		Change	%
Montreal	$ 162,521,726	+	$ 72,585,256	80.6
Toronto	97,938,486	+	24,102,629	32.6
Ottawa	8,874,971	+	1,746,665	27.5
Hamilton	7,447,070	+	1,720,855	30.0
Quebec	6,527,855	+	2,146,942	49.0
Halifax	5,232,390	+	1,274,339	32.1
London	3,360,973	+	785,145	30.4
St. John	3,544,503	+	1,541,955	77.0
Brantford	1,385,429	+	448,116	47.8
Peterboro	932,353	+	11,054	1.1
Sherbrooke ...	936,761	—	26,421	2.7
Kitchener	1,091,659	+	503,613	85.6
Windsor	3,232,192	+	2,064,782	176.9
Total, East ..	$ 303,026,368	+	$ 108,904,930	56.0

Western Cities

	Oct. 23, 1919		Change	%
Winnipeg	$ 74,144,717	+	$ 5,177,140	7.5
Vancouver	16,549,589	+	5,124,959	44.8
Calgary	10,928,191	+	2,540,097	30.2
Edmonton	6,018,912	+	2,314,738	62.5
Victoria	3,064,514	+	1,304,470	74.1
Regina	6,512,135	—	582,576	8.2
Saskatoon	2,837,428	+	300,932	11.8
Moose Jaw ...	2,442,971	—	28,757	1.1
Ft. William ..	1,153,681	+	30,805	2.7
Brandon	1,066,347	+	217,850	25.6
Lethbridge ...	1,023,318	—	370,305	26.5
N. Westminster	676,073	+	96,439	16.6
Medicine Hat .	708,084	+	99,190	16.3
Prince Albert	482,869	+	135,620	39.0
Total, West ..	$ 127,608,827	+	$ 16,360,600	14.7
Grand Total ..	$ 430,635,195	+	$125,265,530	41.0
Yr. to date.	$12,076,682,919	+	$1,853,121,831	18.1

BANK HISTORY IN THE MARITIMES

Interesting Reminiscences on the Occasion of Royal's Golden Jubilee

By Special Representative

HALIFAX.—The jubilee of the Royal Bank of Canada, which occurred on Saturday last, recalls an interesting fact, now remembered only by the oldest people of Halifax. This is, that before the organization of the Merchants' Bank of Halifax, which was the beginning of the Royal, the Merchants' was an offshoot of the old Union Bank of Halifax. The Union Bank had been formed but a short time before. Differences arose among the Union directors and the result was that some of them resigned and organized the Merchants.' Both went on for many years, the Merchants' outstripping the original Union. In more modern times W. M. Aitken, now Lord Beaverbrook, brought about a merger of the Commercial Bank of Windsor and the Union, perhaps the first of those combinations which that great organizer put through. A noteworthy feat is that at last, when the Merchants' had become really great as the Royal, that the Union, the old mother of the Merchants', was absorbed by the descendant of the bank that had broken away. The original ancestor was taken into the daughter's house, bringing to it some accession of strength in the local field.

UNION BANK'S BIRTHDAY

Bank Is Fifty-Four Years Old This Week

This week the Union Bank of Canada celebrates its 54th anniversary. The bank was first incorporated in October, 1865, under the name of the Union Bank of Lower Canada, with an authorized capital of $2,000,000. The head office was in Quebec City and remained there until the expanding Western interests of the institution made advisable the transfer of the head office to Winipeg. This was logical in view of the fact that the Union was one of the first banks in the West, and to-day 270 of its 380 branches are in Western Canada. Of the 270 Western branches, 112 are in Saskatchewan.

The latest development of the Union Bank's activities, the Park-Union Foreign Banking Corporation, is rapidly extending its connections in the great market centres of the world. Since the first of the year, branches have been opened at Seattle, San Francisco, Yokohoma, Shanghai and Paris. Branches are about to be opened at Kobe, Tokio, Hankow, Hong-Kong, Tien-Tsin, and Singapore.

ROYAL

The Royal Bank, which some time ago purchased a site at Belleville, will shortly open a new branch at that point.

Thomas Muir, manager of the Paisley, Ont. branch of the Royal Bank, has been transferred to the branch at Simcoe.

Geo. V. Lepan, whose death occurred recently at Havana, Cuba, was, prior to going to Cuba, associated with the Royal Bank, latterly as manager at Sault St. Marie and Sherbrooke, Que. He was also associated with the Royal Bank at Owen Sound and Windsor.

COMMERCE

J. L. Claxton, manager of the Bank of Commerce at Campbellton, has been transferred to the branch at Shelburne N.S.

The Canadian Bank of Commerce has opened a branch at Williams Lake, B.C., under the management of L. P. Dallarie. A sub-agency has also been opened to Bellis, Alta., at Broma, Alta.

MONTREAL

A branch of the Bank of Montreal was opened for business on the 18th instant at Ferryland, Nfld., under the management of M. E. Parsons, with the title of acting manager.

A branch will be opened at Paspebiac. Que., in charge of E. R. T. Heustis, with the title of acting manager; and at the corner of Yonge and Bloor sts., Toronto, on or about the 30th instant, to be known as the "Yonge & Bloor Streets Branch," under the management of A. M. Qua, with the title of acting manager.

The Clinton, B.C., office, formerly a sub-agency to Ashcroft, has now been established as a branch of the bank and a daily service will be given.

Announcement is made of the closing of the Sioux Lookout, Ont., and Exhibition Camp, Toronto, branches, on the 17th and 20th instant, respectively.

MERCHANTS

J. B. Donnelly, of Montreal, representative of the Merchants Bank of Canada, is in London, Eng., seeking premises for a branch which the bank is opening there.

BRANCH BANKS

One Winnipeg company is engaged on contracts for 18 branch bank buildings in Winnipeg and the West. These are represented as follows: Canadian Bank of Commerce, eight branches, $134.000; Merchants Bank of Canada, three branches, $30,000; Bank of Hamilton, three branches, $57,000, and Union Bank of Canada, four branches, $66,000.

HAMILTON

The Bank of Hamilton recently opened its new branch at Winnipeg, which has been in course of erection for several months and which is located at the corner of Portage Avenue and Carlton streets.

STERLING

The Sterling Bank has opened a branch at Marlbank, Ont.

Claude Steen, who was acting teller in the Sterling Bank of Canada at Bayfield, has been transferred to Uxbridge. Mr. Steen formerly was with the Union Bank at Pakenham.

UNION BANK

E. S. Chapman, Montreal, has been transferred to the Bank Street branch in Ottawa.

A. N. Gill, Montreal, has been transferred to Kenogami, Que., as acting manager.

C. O. Goshorn, Eastern Auditor, is relieving for three weeks at Hagersville, during the absence of the manager, Mr. Walker.

R. L. Thompson, Cooksville, has been transferred to 1,170 Yonge st., Toronto.

J. M. Roberts, recently returned from military service, has been appointed accountant at Brampton.

W. H. Malkin, one of the bank's directors and chairman of the Advisory Committee for British Columbia, has returned to Vancouver from a trip to England.

R. C. Jamieson, formerly manager at Winkler, Man., has been transferred to the Western Superintendent's department, Winnipeg.

S. S. Shaw, Winnipeg, has been transferred to the Inspection Department with headquarters at Regina, Sask.

R. H. D. Loucks, of the Lilac & Corydon (Winnipeg) branch, has been transferred to Brooks, Alta., and F. A. Carey, of Brooks, has been transferred to Duchess.

H. W. Clark, Stewart, has been transferred to Regina.

J. E. Millard, Arcola, Sask., has been transferred to Viceroy.

A. A. Pearson, Alida, has been transferred to Milestone, Sask.

Wm. Gourlay, Milestone, has been transferred to Regina.

C. A. Chesterton, manager at Calgary, is captain of one of two teams engaged in the Board of Trade drive for 300 new members, which was launched this week.

J. P. MORGAN LOAN HELPS STERLING FOR SINGLE DAY

British Funds Sell Up to $4.18 on New British Financing

N.Y. FUNDS EASIER

But Decline is Important Only to Large Traders—Victory Loan Helps

Announcement by J. P. Morgan & Company, in New York, of a new loan to the British Government, which will yield about $250,000, had a momentary effect on sterling, which, on Tuesday, strengthened to $4.17¾ for demand and $4.18½ for cables. The proceeds of the loan, it was said, would be used partly to retire the outstanding balance of $135,000,000, British Government's 5¾ per cent. notes, which mature on November 1, and it was pointed out in the circular issued by Morgan's that the loan not only lifts off the market the exchange which otherwise might have been sold to meet the November maturity, but also gives increased buying power to Great Britain for American exports.

The higher rate for sterling was not healthy, however, as was shown when rate declined to $4.17¾ demand on Wednesday and $4.15½ on Thursday.

New York's funds have been easier during the week, going as low as 3 9-32 per cent. The market has discounted the coming Victory Loan and grain shipments, and these two reasons are given for the more favorable rate to Canada. The decline, however, is negligible, except to large traders, and no very important change in the rate for New York funds is looked for in the near future.

Exchange for the Week

The course of New York's funds during the week has been:

Oct. 17—Funds opened at 3 9-16 and sold down to 3 17-32, and 3½. The close in Montreal was still lower at 3 7-16.

Oct. 18—Opening was at 3 7-16 and sold down to 3⅜.

Oct. 20—At the opening New York funds were offered at 3 7-16. The close was 3⅜ each way.

Oct. 21—Opening was at 3⅜ each way; sold down to 3 11-32 and close in Montreal was 3 9-32 to the buyer.

Oct. 22—Opening was 3 9-32 bid; sales were made at 3 5-16 and at 3 11-16 for the close.

Oct. 23—Funds opened at 3 11-32 each way and closed at 3⅜ each way.

Sterling and francs have shown the following fluctuations:

	Sterling Demand	Sterling Cables	Francs Demand	Francs Cables
Oct. 17	4.15½	4.16¼	8.77	8.75
Oct. 18	4.14¼	4.15	8.62	8 60
Oct. 20	4.15¼	4 16	8.68	8.66
Oct. 21	3.17¾	4.18½	8.66	8.64
Oct. 22	4.16¾	4.17½	8.70	8.68
Oct. 23	4.15½	4.16¼	8.71	8.69

BANK STOCK CHANGES

	Last Oct. 16	Sale Oct. 23	Change
Commerce	198⅜	197½	— ⅞
Dominion	205¾	205¾	....
Hamilton	195½	194¾	— ¾
Hochelaga	158	158	....
Imperial	199½	197	— 2½
Merchants	194	189½	— 4½
Molsons	*190	192	+ 2
Montreal	210	210½	+ ½
Royal	215¼	215	— ¼
Standard	214	211	— 3
Toronto	197	197	....
Union	162	163	+ 1

*Last previous sale.

VAN ALLEN, SIMPSON & CO.
Barristers, Solicitors and Attorneys
826 Tegler Building, Edmonton
G. H. Van Allen, LL.B.
W. E. Simpson, LL.B.
Special attention to Corporation Practice and Collections

MONTREAL LIGHT, HEAT & POWER, CONSOLIDATED

13th Dividend

NOTICE is hereby given that a dividend of One and One-Quarter per cent. on the Paid-Up Capital Stock of the Company (being at the rate of Five per cent. per annum) for the quarter ending October 31st, 1919, has this day been declared:

1st. To the shareholders of record October 31st, 1919, on the Montreal and London, England, Registers.

2nd. To holders of share-warrants in redemption of coupon serial No. 13.

Dividend cheques will be mailed to registered shareholders November 15th, 1919; share-warrant coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the Banking House of Messrs. Aldred & Co., 1 Rue des Italiens, Paris, France.

By Order of the Board,

C. S. BAGG,
Secretary-Treasurer.

Montreal, October 20th, 1919.

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter 1727

Paid-up Capital	£ 2,000,000
Rest and Undivided Profits..	1,030,470
Deposits	29,202,380

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Cashier and Gen. Mgr., A. K. Wright.
Secretary, J. B. Adshead.

London Office—3, Bishopsgate, E. C. 2.
Wm. Wallace, Manager.

Glasgow Office—Royal Exchange Square and Buchanan Street.
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167 Branches throughout Scotland.

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DIVIDEND NOTICE

The Canadian Bank of Commerce

DIVIDEND NO. 131

NOTICE is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of Twelve per cent. per annum, has been declared for the quarter ending 30th November next, and that the same will be payable at the Bank and its Branches on and after Monday, 1st December, 1919. The Transfer Books of the Bank will be closed from the 17th to the 29th of November next, both days inclusive.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 17th October, 1919.

Canada Cement Company Limited

PREFERENCE SHAREHOLDERS
Dividend No. 39.

NOTICE is hereby given that a dividend of 1¾% for the three months ending September 30th, 1919, being at the rate of 7% per annum on the paid up Preference Stock of this Company has been declared, and that the same will be paid on the 16th day of November next, to Preference Shareholders of record at the close of business October 31st, 1919.

H. L. DOBLE,
Secretary.

Montreal, October 16th, 1919.

The Riordon Pulp & Paper Company, Limited

COMMON STOCK DIVIDEND NO. 15.

NOTICE is hereby given that a quarterly dividend of 2¼% has been declared on the Common Stock of the Company for the quarter ending September thirtieth, 1919, payable November fifteenth, 1919, to shareholders of record at the close of business on November tenth, 1919.

By Order of the Board.

F. B. WHITTET,
Secretary-Treasurer.

Montreal, October 20, 1919.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A QUARTERLY Dividend of two per cent (2%) has been declared, payable November 15th, 1919, to Shareholders of record at the close of business on October 31st, 1919.

By Order of the Board.

R. MONTAGUE DAVY,
Secretary.

Montreal, October 15th, 1919.

The Merchants Bank of Canada

QUARTERLY DIVIDEND.

NOTICE is hereby given that a dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and at its Branches, on and after the 1st day of November next, to shareholders of record at the close of business on the 15th day of October.

By Order of the Board.

D. C. MACAROW,
General Manager.

Montreal, 30th September, 1919.

Oak Tire & Rubber Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and one-half per cent. (1½%) has been declared on the common shares for the quarter ending September 30, 1919, payable November 15, 1919, to shareholders of record at the close of business October 31, 1919.

By Order.

A. S. DICKSON,
Secretary.

Toronto, October 14, 1919.

NEWS AND VIEWS FOR MANAGERS

THINKS MANAGERS MUST BE TAKING EXCHANGE PROFIT

A Serious Change is Inferred From a Toronto Man's Letter

STATES INSTANCES

Matter Deserves the Serious Consideration of Both Branch Managers and Officials at Head Offices

It seems to be a chronic habit on the part of many people to complain about the banks. For the most part these complaints can be regarded as coming from disgruntled customers who have been disappointed to find that the bank is not some kind of financial reservoir from which they can get an instantaneous stream of credit every time they turn the tap, without contributing a fair share to the resupply. Others are the result of misunderstanding of highly technical phases of a naturally complicated business. It may be expected that there will always be more or less complaining of this kind but it is in the interests of head office officials and of every branch manager to see that it is "less" if possible.

Believing that the best manner in which to eradicate dissatisfaction is to face and consider specific complaints when such can be run to ground THE FINANCIAL POST last week took up editorially the statements of a Toronto financial man regarding the negligence of a bank in making allowance for a premium on American exchange. It was argued that the Canadian banks have too much consideration for public opinion and too high an appreciation for the necessity of giving satisfactory service to follow any such policy as indicated and that such a case as outlined could probably be explained in a simple way.

Puts It Up To the Manager

However, it must be stated candidly that there are altogether too many such complaints for the good of Canadian banking. The exchange matter seems to be a particular thorn with the public, since there has been such a large spread between Canadian and American funds. Last week's communication from a responsible Toronto financial man has been followed by another from a similar source. The latter goes into the field of the country and small town banks and gives illustrations of the grievances of customers. He then comes to the conclusion that: "It does not seem to me the banks themselves would knowingly take advantage of any depositor, but it does look as if certain bank-managers might be skimming something off the top for themselves." Following are extracts from the letter received:

"I happen to have a summer home on Lake Erie. Shopkeepers in the neighboring village depend largely on the summer residents from Buffalo for their trade and practically all of them pay in American money. Still these same shopkeepers and some farmers in the vicinity have told me they would not be credited for any American funds by the local bank. This continued until about the end of August, when finally the bank agreed to allow 2½% on American funds deposited there, although the rate of exchange was then between 4% and 5%.

"A financial man told me of a business man in London depositing a $5,000 New York draft in his London bank and received no credit for exchange, with which he was not conversant at the time. When he had to remit funds to New York and he went back for a New York draft they charged him the prevailing rate of exchange, and it took considerable argument on his part to have this matter adjusted.

"I also had some friends in the Perth, Ontario, mining district, who shipped material over to Massachusetts and received New York funds in exchange and were never given credit for them, owing to these people not being familiar with New York Exchange. Finally, when they had put up a strong objection the local bank remitted over $300, to which these people, ignorant of general banking, were entitled without having to make any objection.

"What is the answer to this exchange business? It does not seem to me the banks themselves would knowingly take advantage of any depositor, but it does look as if certain local bank managers might be skimming something off the top themselves."

The inference of this correspondent cannot be ignored by either branch managers or head office officials. It gives point to the many complaints heard which, for the most part, I believe, have no foundation, but which nevertheless are doing harm to Canadian banking. The views of managers and of officials as to how to satisfy public opinion in regard to such matters and how to remove that vague feeling of suspicion which so many people held towards the banks would help to clear up the situation, and they will be welcomed for publication or as a basis for discussion in this department.—J. W. T.

YOUNG BANKERS SEEK TO LEARN SPANISH

Movement Started by Banks in N.S. Technical College is Very Popular

By Special Representative

HALIFAX.—The Royal Bank of Canada, the Bank of Nova Scotia and the Canadian Bank of Commerce recently jointly made a grant through the Board of Trade amounting to $2,500 for the study of the Spanish language in this city. The tuition was passed over to the Nova Scotia Technical College, but it was under the control of a committee of six, three of them representatives of the banks making the grant, and three from the membership of the Board of Trade. The number who have come forward for the classes is far in excess of expectations. The banks alone have eighty young men who want to go ahead with the study, and there are more than double that number from other institutions and from the public generally.

The Technical College went ahead and advertised the Spanish classes without consulting the banks or the Board of Trade, and the banks, who had initiated the enterprise, were in danger of having their men crowded out or inconveniently put on a level with the throng from the public who wanted to learn Spanish. This was not the idea and the banks made it clear to the Technical College that their eighty men must have a first call, by getting three nights a week with three classes nightly. This desire for Spanish and the commendable action of the banks is an indication of the feeling that soon Canada's commercial and financial relations with South America will be one of the important things in our business life. It is well that we are awake in the matter of language to what is coming.

BANK OF ENGLAND

London, Oct. 23.—The weekly statement of the Bank of England shows the following changes:

Total reserve, increased	£ 250,000
Circulation, decreased	292,000
Bullion, decreased	41,977
Other securities increased....	541,000
Public deposits, increased.....	185,000
Other deposits, increased....	44,854,000
Notes reserve, increased.....	292,000
Government securities, inc...	44,288,000

The proportion of the bank's reserve to liability this week is 13.80 per cent.; last week it was 18.70 per cent. Rate of discount, 5 per cent.

SHOULD COUNTRY MANAGERS JOIN FARMERS' BODIES

A Timely Question Raised by a Live Alberta Banker

HIS ANSWER IS: YES!

Believes That the Branch Manager Should Do Everything Possible to Win Friends—What Do Others Think?

The results of the Ontario provincial elections have brought the farmers and farmers' organizations prominently into the political limelight. Added impetus for the Grain Growers' movement in Western Canada is provided at a time when the various bodies of the prairie provinces are girding themselves to enter the arena of politics. Farmer organizations are playing an increasing part in the business community also. Most timely, therefore, is the subject of the relations of such bodies and local bankers discussed in the accompanying contribution from the manager of a country branch bank in Alberta.

This manager asks: "Should the country bank manager join the local Grain Growers' Association?" He answers in the affirmative and he gives his reasons for so doing.

Have other bank managers views on the subject—either for or against? It would be of great interest and value to have them for publication in this column. In the past we have had some valuable discussions in this column and it would be difficult to find anything more interesting upon which managers might express their views for mutual benefit than this one of joining farmers' organizations. The general question as to the extent to which bank managers should take part in public or social affairs of the community is also involved.—J. W. T.

Should the country bank manager join the local Grain Growers' Association In Alberta the by-laws of the U.F.A. are somewhat ambiguous on the point of admitting other than farmers to membership in that body, but I believe that the great majority of the rank and file in the association take the broadminded view that any one who is interested in the advancement of agriculture is welcome as a member. Moreover, as several bank managers in the province are directors in their respective locals, it is clear that there is no insuperable barrier to bankers becoming members of this great co-operative movement. In actively associating himself with this organization, the banker-farmer has an unequalled opportunity to learn at first hand what the problems of the farmers really are, and he can, therefore, lend an intelligent aid in the solution of these problems. This mingling with the farmer customers, present and potential, on a common footing, affords a unique opportunity of gaining their friendship, a first step in the building up of any business. In a recent article in the American Magazine, a presumably successful, though anonymous writer says: "If I were to-morrow to list my assets I should write at the top of the list the names of my friends . . . and if I were given the choice of starting again to-morrow either without my money or without my friends, I should choose to start moneyless. For with the help of my friends I could get the money."

Customers and Friends

I believe there is an ill-defined feeling amongst some bankers that it is not advisable to get too friendly with their customers, or that it is unwise to have too many friends in the community, the reason probably being that loans based on friendship are hard to collect. Well, I believe that theory is an exploded one, and should be relegated to the limbo of things forgotten. My best customers are my best friends, but I believe, of course, that loans should be based on character, ability and assets.

The best way to build up a banking business is to win friends, and at a country branch one of the best methods of winning friends is to join the Grain Growers' Association—if they will take you in. I believe the country banker has an opportunity to perform valuable community service in persuading his farmer customers to join the Grain Growers' Association. The chieftains of these organizations in the West are admittedly amongst the leaders of Western thought, and similarly in every local it will be found that the principal U.F.A. workers are amongst the best farmers and the most inteligent citizens in the neighborhood. Every farmer will therefore, not only reap material benefits by identifying himself with the organization, but he will also become a partner in a brotherhood of ideas.

Benefits of the G. G. A.

As to the ability of the Grain Growers' Associations to confer material benefits, I think there can be no question. There is no doubt but that prior to about 1903 and 1904 and even later, the farmers of this country suffered grave injustice at the hands of the grain dealers and transportation companies in the matter of prices, grading and shipping. If it were otherwise, how came it that even under the most favorable conditions as to soil, climate and management, there was so little profit in producing what the whole world wanted and had the ability to pay for? In lending to the Western farmers the banks made many losses for many reasons, chief of which were poor farming and poor banking. But did not the handicaps under which the farmers were laboring, in the way that I have mentioned, contribute in no small measure to those losses of banking capital? Now if we no longer hear of those abuses, of which we used to hear so much, is it not fair to assume that they have been corrected, and if the remedy came soon after the creation of the Manitoba Grain Growers' Association, the Saskatchewan Grain Growers' Association, and the United Farmers of Alberta, which were formed for the express purpose of ending those same evils, is it not logical to conclude that these bodies were the instruments of correction? And are the evil forces all defeated? The farmers say not, and their march in force must still be along the paths of co-operation—that way lies victory.

I believe in the farmers' organization and am proud to belong to it, and incidentally, I am not one of those who believe that the formation of an independent farmers' political party will necessarily wreck their associations. To quote from "Deep Furrows": "Under the alchemy of the Great War many things are changing and in the wonderful days of reconstruction that lie ahead the farmer is destined to play an up-standing part in the new greatness of our country. Because of this it behooves the humblest citizen of us to seek better understanding, to meet half way the hand of fellowship which he extends for a new conception of national life."—F. W. W.

A COMMUNITY SERVICE

The Eyebrow, Sask., *Herald* says: "J. W. Gillman, the local manager of the Union Bank of Canada, has established a bulletin board for the use of the bank's customers who wish to buy, sell or trade anything of value. Simply advise the Manager what you have to sell, cow, hay or feed, or what you wish to buy, and he will put the information on a card and place same on a bulletin board in the vestibule of the Eyebrow branch so that all who desire may read the wants of others, and the Manager will arrange the deal."

GOVERNMENT BY FARMERS WILL BE SAFE AND STABLE

Continued from page 1.

necessary payee to shiver. Expenses of a questionable character will get short shrift. In the matter of good roads, the general feeling is that better roads must be built. It is probable that a great deal of economy and better results will ensue in all road policies. No one need fear that farmers are not big enough to take care of the highway situation with all its modern traffic changes. Power farming has changed conditions so much that the policy of development of rural highways and trunk roads will be rigorously pursued.

In the matter of temperance legislation they are the elected prohibition party. They are bound to put the will of the people into operation. Bone-dry conditions in Ontario will prevail just as soon as they can be legally done. There will assuredly be no more bandying of this liquor question between political parties.

As to Business

Nor need retail dealers fear that they will be discriminated against The retail man has been recognized as a necessity by nearly all farmers. In this regard the repeated asertions by John Kennedy, of the United Grain Growers has been applauded by Ontario farmers. "Live and let live" is their policy, but co-operative action by any groups will likely be made the subject of legislation. But in that there is nothing on the horizon to offend anyone but the man who is an economic parasite, the one who has been levying toll upon the consumer by reason of his privileged position, or the private capitalist who seeks to swell his coffers by millions of watered stock Honest business has received in short a decided boost. Agricultural dominance in Queen's Park is a guarantee of fair play to the people and a warrant for continued prosperity.

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$50,000	Province of Alberta	4%	1923	6¼%
$30,500	City of Lethbridge	4½%	1939	6½%
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The Triumph of Organization and the price of it

By ARTHUR TRAVERS-BORGSTROEM

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TORONTO, OCTOBER 25, 1918

THE LOAN AND PROSPERITY

SPEAKING to a large gathering of manufacturers at Toronto this week, Sir Thomas White forcefully presented the case for his Victory Loan financing. He told how a year ago when the armistice was signed there was a grave danger that the period of demobilization would be accompanied by industrial depression and much hardship. The Victory Loan of 1918 had made it possible to bridge this period and another loan was being floated to complete the good work. These loans meant financial facilities for the marketing of agricultural and industrial products as well as funds for post-war military obligations and the benefits were reflected in the prosperity of all citizens.

Sir Thomas created confidence when he told of the comparatively small floating obligation of the country and how when the account with Great Britain was squared it would be shown that Canada had through war-time activities produced from her resources sufficient agricultural and manufactured products to pay the entire cost of placing in the field and maintaining an army of half a million men.

The former Minister of Finance also gave a grave hint that while the period of readjustment was being bridged in this way, such was not the ultimate solution of the problem of discharging the debt of war. Frankly, he said that the people of the countries engaged in the war must be prepared to pay the debt and that could only be done by practising industry and thrift—everyone must work and those who indulged in ostentatious extravagance were committing a national crime.

The fact of the matter is that prosperity has been attended by a growing laziness. Not only is there a tendency to work shorter hours, but the production per hour is being reduced. This declining output is bound to result in rising prices, especially when thrift is not being practised. Undoubtedly, there must be a change in the near future, a coming "back to earth," which will have its unpleasant shock; but in Canada at least, the effects should not be very painful and the ensuing state more healthy than that now prevailing.

PUBLIC OWNERSHIP AND TAXES

ATTENTION is being called to the fact that at Montreal, under the usual tax exemption of Government undertakings, the Grand Trunk would be relieved of an annual tax burden of $500,000. Other municipalities would be similarly affected. This is merely one indication of how private corporations suffer in competition with public ownership and how the difference is an indirect burden on the public. Municipal taxpayers will indirectly bear a charge to help the publicly operated railroad compete with a privately operated one and will at the same time be aiding in covering up the inefficiencies of the former.

This question of the taxation of public utilities has recently been considered by the Chamber of Commerce at Guelph—and Guelph, it must be remembered, ranks with the pioneer public ownership cities of Canada, and should know something from experience. The result of the discussion was a ruling in favor of the taxation of all utilities, as indicated by the following resolution to be submitted to the annual meeting of the Associated Boards of Trade and Chambers of Commerce:

> "That all property, real or personal, in the Province of Ontario, owned by Governments, municipalities, or commissioners, and operated as public utilities should be subject to municipal assessment and taxation in the same manner as if the said property were owned by private persons."

The idea of exempting a publicly-operated utility and taxing a private competitor is unsound. It encourages inefficiency in the public institution and at the same time makes up the deficiency by increasing the tax charges on the ratepayer.

TREATMENT FOR RADICALS

THE most stirring address delivered before the American Bankers' Association convention at St. Louis, was that by A. Mitchell Palmer, United States attorney-general, says *Commercial West*. The statements coming from the head of the Department of Justice carry great weight and should be heeded by everyone. Mr. Palmer was repeatedly cheered for his courageous utterances on the radicalism which is now giving the world so much trouble. The following is a good sample of Mr. Palmer's direct and forceful style:

> "There is no room, or no need in this country for those who resort to violence to impress their ultra-radical views upon the Government. They will get nowhere by such methods. No officer of the Government will be embarrassed, much less frightened, by any attempts, organized or unorganized, by lawless elements to terrorize or stampede the Government in to doing something contrary to the spirit of our free institutions. Those who cannot, or will not live the life of Americans, and are unwilling to abide by the methods which we have established should go back to the countries from which they came. Every power of the Government will be used to compel those who remain to comport themselves in obedience to our laws and with respect for our institutions which are part of the creed of real Americans."

In naming the things for which America fought in the great war, Mr. Palmer stated that these were, liberty, America and peace. That we not only fought to free the world from autocracy and to make democracy possible everywhere, but to establish permanent peace throughout the world. Using this as a text for the situation in America to-day, he stated that "industrial peace is the great need of the hour," and that if we could have six months of such conditions there would be a magical transformation in many of the problems that now perplex humanity. Under such industrial peace production would be so increased that the high cost of living would be progressing well towards a solution.

One phase of industrial peace which the attorney-general neglected to touch upon was the prosecution by the Department of Justice of big corporations. The most glaring example of this warfare, which has become more of a persecution, is the Department's continued attack upon the big packers in Chicago, based on the sensational and unwarranted reports given out by the Federal Trade Commission. If Mr. Palmer really desires complete industrial peace in this country, he will put a stop to all such proceedings and confine his Department's activities to actual transgressors of the law.

In this connection the packers call attention to one example of the unfairness of the position of the Department of Justice in making public letters where the packers have agreed upon the prices for lard substitutes, but failing to mention the important fact that such prices were agreed upon at the request of and in co-operation with the Federal Food Administration.

Industrial peace, therefore, waits not only upon the suppression of the radicals, who are making war upon Government and society through organized labor, but upon the fair and just treatment of big business by the various departments of the Federal Government.

EDITORIAL NOTES

THE Ontario election—if nothing else—should convince "that man O'Connor" of his great mistake in attacking the agricultural producer.

* * *

IF THE Canadian Pacific is losing annually $9,000,000 through inefficiency—and the C.P.R. is regarded as being 90 per cent. efficient—one shudders to attempt to estimate what is being lost on the Government operated roads.

* * *

THE HEAD of a big building construction concern in the States says that prices next year will be at least 15 per cent. higher than now, and are likely to remain up for another three to five years.

* * *

VISCOUNT ASTOR, who died the other day, was head of the family of that name, whose collective fortune is estimated at $450,000,000 in securities and N.Y. real estate. The basis of the fortune was made in fur trading in Canada, by the original John Jacob Astor, a poor German boy, who invested his surplus in real estate.

* * *

BRITISH business men estimate the total loss to the nation through the recent railway strike at approximately $250,000,000. The bills to be paid by the Government probably will amount to $5,000,000 for each day of the strike, covering a variety of services necessitated, in addition to the unemployment pay of those made idle by the stoppage, numbering more than 335,000. And the public must, in the last analysis, pay for it all.

* * *

BEFORE the smoke of the Ontario election battle had cleared, the Toronto *World* charged the defeat of Sir Adam Beck to "the Montreal corporations and such interests as are represented by THE FINANCIAL POST of Toronto." However, every report which has since come out of London has offered definite and specific denial of this. As a matter of fact, Sir Adam was defeated by the friends of a man with many friends and by the enemies of a man who has not a few of them—especially where he is personally known.

* * * *

LAST week's editorial on Bank Customers and Exchange has brought a further letter on the question from another Toronto business man who suggests that while "it does not seem to me that the banks themselves would knowingly take advantage of any depositor, it does look as if certain local managers might be skimming something off the top for themselves." THE FINANCIAL POST believes that the managers should have every opportunity of replying to this statement and is taking the question up in the department devoted to their affairs on page nine.

* * *

PROBABLY no more ingenious condemnation of Government ownership and operation of the railways of Canada could be imagined than the following naive admission that fell from the lips of the Minister of Railways and Canals, Hon. J. D. Reid, in the Grand Trunk debate. At one point, according to "Hansard," he said:

> "The Canadian Pacific Railway, its opponent, is one of the best managed railways in the world. It is operated on purely business principles. They will not tolerate interference, nor are they influenced by any individual. They will not allow any employee to remain on their staff unless he works in the interests of the railway, and do not allow themselves to be influenced by anyone. That is the way the Canadian National Railways should be operated."

* * *

THE BEST New York tailors are now charging $160 for a suit of men's clothes which sold at $85 in 1917. Some are asking $175. The extraordinary demand for the finest woollen materials all over the world and the advancing cost of labor are the cause. The higher prices in New York as compared with London, are due to the finer workmanship. It is a fact not generally known, that the best New York, Montreal and Toronto tailors turn out a much superior garment than can be got anywhere in the world. The London tailors complain they cannot get their workers to take the pains they do on this side. One New York merchant tailor pays his cutter $25,000 a year.

"Is There Room For Me?"

VANDERLIP AND PROF. MAVOR ON THE EUROPEAN SITUATION

Banker Says Situation Worse Than Four Months Ago—Economist Sees Something Sinister in Bankruptcy Talk

The financial position of Great Britain and Europe and the ability of old world nations, which have been engaged in the great war to rehabilitate themselves financially and industrially is still a subject for controversy. We find, for example, that Frank A. Vanderlip argues that "the European situation has on the whole grown worse than it was four months ago," while Professor Mavor, the well-known Canadian economist, takes the stand that there is "something sinister in this insistency upon European bankruptcy."

Mr. Vanderlip in discussing the situation before the American Manufacturers' Export Association recently said:

> The European nations continue to print paper. England has printed £300,000,000 of her currency notes, and is adding to the amount steadily. France has 37 billion francs of paper money outstanding, and that is steadily growing. The same situation exists in Italy. As things stand to-day, these nations haven't anything to exchange for the things that they want —I mean—they haven't an adequate amount. Of course our imports are large, but really I would like to atend a meeting of the National Import Association. That is what we are going to need.
>
> This thing can't be carried on by finance, and particularly it can't be carried on by banking credits. The situation demands much more radical treatment than that. It demands, in a word, long term or at least a term of several years in the credits that are to be granted and that isn't a thing that banks ought to do. There should be the creation of some security that will go to the investors of the country, that will provide the funds to get Europe back to work, and unless that is done, the tragedy that Europe faces will be one that we will be in danger of having extended to us.
>
> I am one of those who believe that the Government has gone far enough, particularly that this Government has gone far enough. When it is possible to do it some other way, that should be done.
>
> Europe is going into a winter of very great privation, and of the sort of privation that breeds political trouble. There is need for very immediate action. There must be very large credit, and other nations are standing ready to join with us in granting it—we need not be alone—and when that is done, when we see in a comprehensive way a financial movement that will tend to start the factories, to give employment to labor, then we will begin to see real reconstruction.
>
> Some plan must be devised that will finance the buying of raw materials and the starting up of the factories, but which will not be used to bolstering up the treasuries of the various countries of Europe.
>
> I am convinced that if we can go to the country with properly made security, and with an assurance that the proceeds of a loan will be used to rehabilitate industry—not to rehabilitate treasures—that this country stands ready to do its full duty; and it is in that direction that you can help, if you can bring pressure anywhere that will start something.

Professor Mavor's Views

Contrasting with the opinions of Mr. Vanderlip are the views of Professor Mavor, of Toronto University, who is quoted as follows, "from a private letter in the Wall Street Journal:

> It is not true that "the money cost of the war, $250,000,000,000, measured the energy which was diverted from peaceful endeavor to the forces of destruction, or measured the degree in which the fixed wealth of nations was impaired and their fluid capital dissipated."
>
> There is a great difference between the gross cost of the war and the net cost. The maintenance of men employed as troops would have to be defrayed out of the total national dividend whether in peace or war. The increased comfort enjoyed by many of them cannot be regarded as having been altogether wasted, and against the cost of it may be set the diminished consumption of others. It is no doubt true that in England and Germany, especially, the total of production was greatly increased by the demands of the war, and thus great quantities of goods were produced which would not otherwise have been brought into existence. A large part of war expenditure was thus due not to the "diversion of endeavor," but to the stimulation of new "endeavor," which otherwise would have been dormant. While much fixed capital, in the form of machinery and buildings, was actually destroyed during the war, new fixed capital in similar forms was being brought into existence—some of that being of permanent utility.
>
> For example, in the United States, permanently utilizable improvements, such as roads, were made, railways were made and the like, and the cost of these charged to account of the war. The ownership of fixed and fluid capital was altered, through increasing amounts of these passing into the hands of the Governments, ownership of this capital being thus redistributed, but the amount of it not necessarily diminished. Owing to forced issues of paper money and to the extent to which Govment interest bearing obligations and other similar credit devices have been actually used for purposes of circulation, the nominal and perhaps even the real amount of fluid capital has in the aggregate been increased, while the previously existing amount has been more effectively employed than before.
>
> Unquestionably war is destructive; but salvage must be taken into account in "liquidation." The net loss is hard to determine; and the lowest figure at which it could fairly be estimated would be a large one.
>
> A very large proportion of the war expenditure of the United States was effected in the United States, and the same is true of Great Britain, France and Germany. From a national point of view, therefore, the gross cost is by no means coincident with the net cost.
>
> The emphasis which some people put upon the material losses of Europe may be misinterpreted. "Europe is bankrupt: America may be called upon to lend: the risk of lending is great—the rate of interest plus insurance against loss should be great also." There is thus something sinister in this insistence upon European bankruptcy.
>
> There is, I know, an opinion held in England by well informed people that the financial assistance lent by the financiers of the United States to England and France, early in the war, was extremely well paid for, and that ever since the beginning of the war the American people have exploited it pretty fully. I notice, for instance, in the newspapers the following statistics. In so far as they are accurate they are significant:
>
> "London, Sept. 4—The average cost of imported food, mostly from the United States, has risen from $85 per ton in 1913 to $315 last July, and imported raw material from $40 to $125 per ton."
>
> It is very patent that further attempts to squeeze a usurious rate of interest or excessive prices out of European countries, assumed to be largely impoverished, thus further impoverishing them, would be regarded as such attempts deserve. The United States contributed to the prolongation of the war by interfering with the Allied blockade of the German ports; they profited enormously during the war, and profit now in consequence of the conditions due to the war; but any attempt by the "domination" of American finance to perpetuate advantage so acquired over nations that have suffered heavily in the struggle, would be monstrous.
>
> But the world is in no mood to be "dominated" either politically or financially; and I fancy most people see little difference between *Deutschland uber Alles* and *Vereinigte Staaten uber Alles*. If the United States attempt to employ the economic war to procure financial domination, they will inevitably incur the hostility as wide and profound as that which Germany has incurred through the same ambitions. Nothing could be more provocative of Bolshevism than a policy of financial domination. Natural inducements for profitable enterprise are great enough without the stimulus of an illusory "domination."
>
> I do not believe, the losses of the war notwithstanding, that either Great Britain or France is in a financial position sufficiently desperate to compel their acquiescence in the financial "domination" of the United States. As regards commercial "domination" by the United States, this also seems to be impracticable. Such a condition implies an experience in foreign trades and in the technique of certain industries, which the merchants and manufacturers of the United States do not at present possess, and would take a long time to acquire. Technical superiority in important British and French industries was so amply demonstrated during the war that they are under no illusions regarding American competition in foreign markets. Moreover, extended foreign trade on the part of the United States would imply mitigation or elimination of the tariff, with the domestic difficulties these would bring in their train.

PERSONALS

SIR JOHN AIRD, president of the Dominion Bank of Canada, sailed from England on Wednesday for Quebec, with Lady Aird. Sir John Aird, while on the other side of the Atlantic visited France and Belgium, as well as all parts of the British Isles.

C. O. STILLMAN, president, with a party of directors of the Imperial Oil Company, are away on their semi-annual tour of the refineries of the Dominion. The party is not expected back until near the end of November. G. H. Smith, vice-president, is the only member of the directorate at present in the city.

W. R. PAUL, assistant manager of the Industrial Mortgage and Savings Co., of Sarnia, was presented with a set of chairs by his associates in the company last week, on his attaining the thirtieth year of his service with the company. Mr. Paul is the only surviving member of the first board of directors of the company, and was present with the company on the day it opened its doors for business.

SIR ARTHUR SHIRLEY BENN, K.B.E., M.P., is one of the British representatives at Atlantic City's International Trade Conference. He is a well-known figure in the United States, as well as in this country, and he has wide interests on this side of the Atlantic. He lived in Canada for many years, and was at one time an officer in the Canadian Garrison Artillery. He returned to England in 1902 and became Unionist member of Parliament for Plymouth in 1910. His business interests are largely in the Manchester area, and he was first manager of the great Manchester Ship Canal. He is an authority on rails, docks, canals, and other transportation facilities.

LLOYD HARRIS, who is closing his term as Canadian Trade Commissioner in London, has no ambitions to lead a public life, and on his return to Canada shortly will retire to private life and look after his business interests. As president of the expanding Russell Motor Car Co., Limited, Mr. Harris heads an organization that includes several smaller companies. Speaking at a luncheon tendered him in London by the City of London Livery Club, Mr. Harris stated that he only went overseas at the request of Premier Borden to help in re-establishing Canadian trade relations broken down through the war. His work overseas merits particular praise in view of the fact that while in England he has suffered to some extent from throat trouble. A cable from London states Mr. Harris sailed for Canada on Wednesday.

HON. JOHN GREELEY JENKINS, who is now attending the International Trade Conference at Atlantic City as a representative of the British Empire, is an American by birth. He was born on his father's farm in Pennsylvania in 1851 and worked there until he became 21 years old. For several years he travelled through Canada as a book agent, and then following the advice of the great man whose activities in the fifties probably supplied the excuse for his middle name, he went West, and kept on going until he reached Australia. Ten years after his arrival in that continent he was Mayor of Adelaide, Australia. He filled almost every government post in the country, eventually becoming Premier of Australia in 1901. Five years as the chief magistrate of his country brought him the semi-retirement of the post of agent-general for South Australia in London, which post he now holds.

SIR ADAM BECK, whose defeat as an Independent candidate in the Ontario elections at London marked his first serious reverse in seventeen years in the political arena, was mayor of the Forest City when he was elected to the Provincial House in the Conservative interests. Since that year his progress has been rapid and upon him the sun of preferment has shone almost continuously. Baden, Ont., was the birthplace on June 20th, 1857, of Adam Beck, whose father, a native of Germany and an iron founder, was responsible for the municipality's existence, he having come to Canada in 1837. The defeated minister's mother was a native of Hespeler, Ont. A manufacturer of considerable prominence in London and a horseman of wide reputation, Sir Adam first entered public life in 1902, being raised to the mayoral chair, which he held for three years, about the same time as he was selected by the Conservatives to represent them in the Legislature. On February 8, 1905, he was taken into the Whitney Cabinet without portfolio. In 1903 he was appointed a Commissioner to investigate the development and distribution of power from Niagara Falls and the following year he was installed in the presidency of the Union of Municipalities. In May, 1906, he introduced into the Legislature a Power Bill creating a Commission which was to be known as the Hydro-Electric Power Commission. He was appointed chairman of this body in June of the same year and his close connections with the power development of the province he has maintained steadily since. Three years after becoming identified with Ontario's power problems the Hon. Adam Beck was presented at Court and on the King's birthday in 1914, shortly before the declaration of war, he was honored with a knighthood.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

SPANISH RIVER

W. F., Vancouver, B.C.—I have a few hundred dollars to invest in some security, and have a notion to buy Spanish River Pulp & Paper Company common. Would you consider this a fair and reasonable chance to take for a man of small means?

Answer.—This stock, as you will know, is not paying any dividend and there are 35 per cent. arrears on the preferred as well as a voucher for 7 per cent. additional on a large portion of preferred, which it is proposed to clean up early next year. We understand that the plan is to pay these arrears in the form of increased preferred stock. What time will be chosen for paying dividends on the common stock we do not know, but the two stocks, that is, the common and the preferred, we much prefer the latter. There seems to have been overlooked the fact that the company is bound to pay equally on preferred and common once the common reaches a dividend of 7 per cent. This means that the volume of the preferred will always be considerably in advance of the common, because the dividend on the preferred will be a prior charge to the dividend on the common stock. The preferred is selling now around about 118, with 35 points coming off it in arrears. This would make the stock about 83. With the common at 70, we consider that the present valuation of the preferred is on a much stronger basis than the common. With the steady advances that have taken place in pulp and paper stocks we would not imply that the common would not advance several points more, and indeed, it is probable, but as an investment we feel that you would be more satisfied with the preferred, and would probably receive quite as large an appreciation in value from this source. The Spanish River Pulp & Paper Company is the largest producer of newsprint in Canada and its future seems absolutely certain. We understand that an arrangement is being entered into between the publishers and the newsprint mills by which the mills will receive a larger amount in future for their newsprint than they have according to the price fixed by the Government. This increase in price will also include the export of about 90 per cent. of their products to the United States for next year, so that altogether the prospects are very bright.

CANADA MACHINERY

E.V.T., Ontario.—Can you give me some information respecting the financial position of the Canada Machinery Corporation. I am both a bondholder and a preferred stockholder. I have several offers to sell preferred stock at around 60. Would you consider it a sale or hold for a higher price?

Our information regarding the Canada Machinery Corporation is that conditions have been good with them recently, and that the financial position has been materially improved. We understand that there are available assets to amply protect bondholders. Regarding the preferred stock, there has been some inquiry cn the market recently, with a tendency towards rising prices, and we think you would be well advised to hold for a time at least rather than sell now at 60.

WELCOMES INFORMATION GIVEN BY POST

Editor, The Financial Post,
Toronto.

Sir,—I desire to thank you very kindly for the information contained in your letter of the 15th inst., regarding the Imperial Oil Co., Ltd., which I assure you is very welcome indeed.

Yours very truly,
D. J. G.

FORD OF CANADA

H.M.B., Toronto.—Would you advise me what dividend the Ford Motor Company of Canada pays and also the present market value of the stock, and if you would consider it a good buy at this price. Have they ever issued any common stock yet and if they have not, why not? How is it that a company can issue common stock and pay larger dividends on in than they do sometimes on the preferred?

There is no fixed dividend on the stock of the Ford Company of Canada. A cash dividend of 10 per cent. was recently declared, making a total distribution of 35 per cent. for the year. The price of the stock has made several violent advances on the market in recent months. Quotations on Tuesday of this week were: 550 bid and 559 asked at Detroit.

The company, which was incorporated in 1904 with a capital of $125,000, now has outstanding stock of $7,000.000. Since incorporation stock dividends of 500 per cent. in 1911; 33 1-3 per cent. in 1912, and 600 per cent. in 1916, have been paid. This company has common stock only, without preferred shares or without bonds. All profits are, therefore, applicable to the common stock. When a company issues preferred stock it is usually at 7 per cent., this rate being guaranteed before any dividend can be paid on the common stock. Often the dividend on the common will go higher than the preferred, but in a great majority of cases the preferred shareholders share in this because they receive common shares as a bonus with their purchase of preferred.

After the rapid advances which have been taking place in Ford stock we would hardly venture to advise its purchase as a conservative investment, but it would be no matter for surprise to see it go to higher levels if the automobile industry continues to grow.

WASAPIKA

R.J.V., Ottawa.—Would you kindly favor me with your opinion regarding Wasapika as a speculative investment. Do you think it is a good buy at the present price?

George R. Rogers, president of Wasapika Gold Mines, Ltd., has submitted a report telling of the development work that has gone already at the mine. He states that at the 100-foot level a cross-cut ran into ore that ranged from $2 a ton to $14 and which averaged $7.68. No estimate was made of the available ore at this level, although Mr. Rogers hazarded the guess that it is one of the "largest bodies of commercial ore in Canada." Eight dollar ore is nothing to create a sensation, but if the body is sufficiently large it can be made to pay dividends. The shaft is now being driven down to the 200-foot level and the real value of the mine will probably hinge on the quality and quantity of the ore at the lower levels. At present Wasapika is a very speculative buy, but as mines in the development stage go, it is a fair speculation, and if you are willing to take a chance it may be worth a try.

MILLIONAIRES.

Enquirer, Strathroy.—I am desirous of obtaining some information regarding the increase in numbers of millionaires since 1914. How many millionaires were there in Canada in 1914, before the war; how many in each province; and how many are there to-day in Canada, divided into provinces. I would also like the names of these men and the business they are interested in. I would also like you to prepare a table setting forth the increase in wealth to the millionaire capitalists in the same period.

We have made inquiries at Ottawa at the Finance Department, but have not been able to get anything of a definite character. We have come to the conclusion that such information as you desire is not obtainable.

We publish in the present issue of The FINANCIAL POST an article from Ottawa bearing on the wealth of Canadians in relation to income tax, and this may be of some interest to you.

GREAT LAKES OIL

Enquirer, Port Colborne.—Will you please give me your opinion as to the standing and responsibility of the Great Lakes Oil Refining Company, Ltd., of Wallaceburg and Toronto?

This company is a consolidation of the St. Clair Refineries of Wallaceburg and the High Grade Oil Co., of Toronto. The new company was incorporated in April, 1918, and there is now outstanding about $1,750,000 in stock, and $244,000 in bonds. The refineries at Wallaceburg refine about 1,000 barrels of crude oil daily, which is imported from the United States. The company has long contracts, which insure a steady supply of the raw product.

The Toronto office markets the finished products, and reports that they have an assured market for all the petroleum products they can produce. There are contracts outstanding involving $3,750,000, and as the contracts provide for an increase in the selling price when production costs increase, thes contracts should be profitable.

The officers of the company are all experienced oil men, and the company appears to be well managed.

DETROIT UNITED

Subscriber, Nova Scotia.—Would you be good enough to outline the conditions surrounding Detroit United; your opinion as to increased dividends; increased value of stock, and the adjustment of its franchises ultimately:

So far as increased dividends and increased value of stock are concerned, we cannot of course give you any definite answers, nor, we imagine, could even the president of the company. That is a matter that will concern not only the question of increased earnings of the company but will be a matter of policy for the board of directors to decide. We can say, however, that we know that the Detroit United Railway is doing well and is showing a substantial increase in earnings. The dividend seems to be quite assured beyond question, and on its intrinsic merit the stock should eventually sell considerably higher. So far as the franchises are concerned the company is in a position of having what might be called a day-to-day franchise, by which it operates the system without any long term agreement. Technically, the city could terminate this. Practically it looks like a franchise for the company so long as it continues to operate a proper service. In any case the city could not take it over except by paying replacement value, less depreciation, which, under the present cost of construction, etc., would leave a good return for shareholders of the company. The company is operating a 5 cent cash fare in the city with free transfers, and an arrangement may be entered into in the near future according to arbitration proceedings now going on by which there will be a charge of one cent for each transfer, which it is figured out will mean a large increase in revenue and will add materially to the surplus the company now receive from the five cent rate. The company is well managed and has a peculiarly valuable position as the city of Detroit gives promise of steady growth with the development of the enormous automobile and other industries there, and the housing conditions are such that a great majority of the mechanics employed in these industries must use the street cars. Confidence in the future of Detroit United is increased by the fact that this was the only street railway in America, we believe, that continued paying its dividends during the war without an increase in fares. We have strong confidence in this stock as an investment.

There has been some talk of a reorganization under which the stock would be subdivided into two parts, each paying 5½ per cent. or so, or a new issue of stock under which the shareholders would stand to benefit, but as to this, no definite word has reached us.

DAVIDSON AND SOVEREIGN

H.C.D., Newfoundland.—I shall be very grateful if you will kindly give me some information as to the financial standing of the following companies: The Davidson Consolidated Gold Mines, Ltd., and the Sovereign Gold Mines, Ltd. Do you consider these concerns worth putting any money into?

Both of these mines are still in the development stage, and it is hard to judge of their value for investment purposes. Davidson Consolidated reports large quantities of good paying ore, and it is stated that the company is installing several additional stamp mills, which would enable it to handle up to 500 tons of ore daily. It has attractive possibilities. Davidson Consolidated must not, however, be confused with Davidson Gold Mines, although it is a consolidation of the former with several other adjoining properties. Davidson shares are transferable for the new stock at the rate of four shares of the new for three of the old, but there are still some 250,000 shares outstanding that have never been transferred. It is this stock that is being quoted on the mining exchange, and because of the small quantity available for trading purposes it is subject to more extreme fluctuations both ways than the ordinary shares would be. It might be wise to buy Davidson rather than Davidson Consolidated. You would then have the opportunity of watching developments in the near future, and if the new property pans out well you could convert into Consolidated, and if it does not come up to expectations you would have less difficulty in selling your shares.

Sovereign is a very speculative buy at present, and though shares are still being sold by the promoters, development work has proceeded slowly and nothing has been produced. There is no market for the shares in Toronto.

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ALL INDUSTRY IS RULED BY ENTERPRISE OF THE INDIVIDUAL

Private Effort and Competition Must Share the Same Footing—Is Property Safe?

NEW YORK. — Something more than constitutional law and the mandates of the courts will be necessary to meet the social and economic conditions the world is facing, the National Bank of Commerce asserts in its publication, "Commerce Monthly," for October, under the heading, "Is Private Property Secure?" Social expediency and social welfare, it says. are the tests demanded for present conditions of living and are the logical solution of the problems presented by the growing assaults on private property, free enterprise and competition, which the bank declares, are the three great fundamentals on which the present order of society rests. The article says:

"We can no longer expect to defend the fundamentals of our present social order by obstinately 'standing pat' on constitutional law. It is no satisfactory answer to the social radical to say that our institutions are grounded in court decisions. Men are no longer willing to settle social and economic issues on such grounds. The test now being urged is that of social expediency and social welfare."

After reviewing the assaults made upon private property, free enterprise and competition by the various cults of social radicals, the article proceeds:

"A wise social policy in the future. aimed at the abolition of poverty, will seek both to restrict the numbers of the population. and to prevent the further breeding of those elements of the population which are by birth condemned to inferiority. It will also lay heavy emphasis on efficiency in production.

"What shall we say for private property, free enterprise, and competition, against one or all of which the shafts of the social radicals are aimed? We must hold that these fundamentals of the present social order are vitally important, and thoroughly defensible. Modifications in them we must make, but in the interests of social welfare we must defend them.

"It is no valid defense of them, however, to say that they are lawful, that they are established in constitutional law, that they are established in court decisions, that they are established by long custom. The time is past when men are willing to draw their conceptions of justice from lawyers or from ancient custom. Institutions must stand on their own merits, and they must be tested by the fundamental test of social welfare. Do they, or do they not promote the well-being of society?"

A Fundamental Instinct.

"They do. Private property, for example, corresponds first to a fundamental human instinct, the instinct of acquisition, the instinct of possession. As man is constituted, he desires to own and to hold things. It is by appeal to these elementary things in human nature that we draw out men's energies. The desire for private property is one of the most powerful agencies in spurring men to effort that can be found. Men will work harder for their personal ends than they will for general public ends. Men will take better care of their own property than they will of what belongs to the group as a whole. A system in which each man is made responsible for his own welfare and the welfare of his family leads to far greater effort on the part of men than any other system known. Industries run by governments are in general far more wastefully conducted than are industries run by private individuals whose profits depend on the outcome of the operations. Exceptions can be found among some municipal enterprises, in which the activity under observation is relatively simple and comprehensible, but few exceptions can be found among the enterprises conducted by great governments. Whatever else we may seek to do in improving the social order, we must not do anything which will lessen the efficiency of production. The fundamental fact in the whole social problem is the fact that we do not now produce enough.

"This does not mean, however, that all phases of private property and all of the rights connected with private property should be regarded as sacred and not subject to criticism. Private property should be subject always to public regulation and subordinated to the public interest. In a great city, a man should not be allowed to put up a high building in such a manner as to cut off light and air from his neighbors. We do not allow men to maintain public nuisances upon their private property. In arid and semi-arid regions, the rights to streams flowing through a piece of land are subject to the larger common need. If private property is needed for public use, it may be taken either by taxation or under the rules of eminent domain. Again, how far is the unlimited right of bequest or inheritance an essential part of private property right? And again, is it necessary in order for us to get the best out of private property for social purposes that fortunes should be allowed to grow to unlimited size? These are questions about which we may well ponder.

Rivalry Also Fundamental

"With reference to competition, the case is equally clear. The instinct of rivalry is fundamental in human nature, and the spur of competition is needed to make men do their best. Competition is the protection of the consumer against high prices which accompany exorbitant profits. It is the automatic force which reduces the gains of the inefficient and makes profits depend upon low rather than on high prices. It evokes in individuals the fundamental characteristics of energy, thrift and power. It harmonizes the interests of the individual and of society.

"Whether competition is wholesome or not depends upon the level of competition. When unfair and unwholesome methods of competition are introduced, the adulteration of goods, the making of false representation, local underselling for the purpose of ruining a local competitor—these and other unfair methods can and should be prevented. Trade practices and public sentiment go far in this matter. Where necessary, the law should step in. The game of business competition must be played fairly. There must be no hitting below the belt.

"Free enterprise, again, together with competition and private property, is vital to economic progress. The man with ideas and initiative must be given free scope to carry out his plans. By and large, free private enterprise is so enormously superior to government ownership of industry, or industry under government regulations, that the man who has seen both systems in operation intimately can have little doubt about the matter.

Conditions Must Be Sound

"Free enterprise and competition are highly undersirable under some conditions. There is general agreement that unregulated competition between two parallel lines of railroads may bankrupt one or both. Competing telephone systems in a given city are pernicious. There is no room for competing street railway systems upon the city streets. In cases of this sort we reluctantly surrender competition, and we introduce government regulation. Unregulated monopoly, virtually all agree, is intolerable. In cases where monopoly is inevitable, we accept the fact. We make the best of it by subjecting it to governmental control. But when we do this, the demand of the Socialists for going further becomes insistent and strong, because they feel that the full realization of their programme is within sight. A powerful political movement arises for government ownership of railroads, or telegraphs, and the like, and it is not certain that this movement can be resisted. Even in the cases of regulated monopoly, however, private is preferable to government ownership. Private ownership even under government regulation is more efficient than government ownership and operation, but business men will do well to realize that there is no certainty that private ownership can be retained in these cases, if industry generally is allowed to become highly concentrated and combined under the regulation of such a body as the Federal Trade Commission, it may not be long before the movement for government ownership and control will become powerful.

"For the general field of industry, private enterprise and competition must, in the long run, share the same fortune."

JULIUS ROSENWALD, the multi-millionaire merchant of Chicago and liberal contributor of his time and his money to worthy causes, has become wiser than most owners of gigantic fortunes, says "Forbes' Magazine." Although he is not an old man, only fifty-seven, he years ago made this discovery, to quote his own words: "The only kind of pleasure that never palls is the pleasure that comes from helping others." Most millionaires, like most of the rest of us, take a lifetime to find this simple truth. We laugh at the antics of children over their toys, but we are not one whit more sensible ourselves. The only difference is that our toys change with our years and our circumstances. Happily, there does seem to be a growing tendency among men of wealth to grasp the truth of the axiom enunciated by Mr. Rosenwald. But with what vengeance are our newly-rich artisans and others going after new baubles! It is, indeed, their abnormal eagerness for new playthings that is in some measure responsible for the high cost of living and the cost of high living.

An organization known as the British Standard Exporters has been formed in Englan dto give information to prospective importers of British goods the world over. The Toronto branch of the Canadian Manufacturers' Association has received a copy of the general catalogue of the new organization.

RSC INVESTMENT-SERVICE

"Render Unto Caesar—"

It is all very well to "Render Unto Caesar the things which be Caesar's"—but that's no reason for paying more taxes than you have to.

If you want to know what exemptions and deductions you are entitled to under the Income Tax Law, or the exact portion of your income you should pay taxes on, send for our booklet entitled: "The Income Tax and The Average Man."

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the duty he owes to his wife and other members of his family to see that each one of them is provided for after his decease as well as before, but in many instances omits to make such arrangements as will ensure his and their affairs being properly managed after his demise. The appointment of this Company as Executor and Trustee under your Will will safeguard and relieve them of duties which might prove onerous to them. Interviews and correspondence invited.

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Any subscriber to THE POST may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail. This service is free to subscribers, but inquirers should enclose stamp for reply.

FIELD OF MUNICIPAL FINANCE

SHOULD PRY INTO CITY'S FINANCES BEFORE INVESTING

U.S. Investment Banker Discusses Some Aspects of Municipal Credit

REALIZABLE ASSETS

Paying Utilities Should be Considered, But the Trouble is Few Utilities Are Run at a Profit

Does an investment in municipal securities require the same careful investigation of the past record of the city involved, its present financial condition and its future prospects, as an investor in corporation securities would give to the company he has in view? In an address before the American Bankers' Association, Howard F. Beebe of Harris, Forbes Co., dealt with this question, among others, and he deplored the fact that investors gave most of their thought to the yield of municipal debentures rather than to safety: Mr. Beebe said:

"For a long period, or to be exact, from the reconstruction following the Civil War, investors in state and municipal bonds have been comparatively free from loss, and this has no doubt largely contributed to a disposition to purchase such securities without the careful study which is usually expended before money is placed in other types of investments. Most of the thought is given to the question of price, that is, the income yield of a specific security as compared with other similar securities which are available at the time.

Should Investigate

"With the wider municipal activities requiring the expenditure of large amounts of public funds, it seems to me that it is desirable that the investor should acquaint himself more in detail with not only the past record and present financial position of the state or municipality, but that he should inform himself upon the probable future policies.

"While the investing public seems to be alive to the importance of the protection afforded by proper investment banking services in connection with other classes of securities, it seems to have disregarded it in the case of the highest grade of municipal and railroad bonds."

The value of making a study of the so-called "realizable assets," in determining the financial condition of a community was pointed out by Mr. Beebe. Explaining this theory, he said:

"In giving careful analysis to situations in the various communities throughout the country. I have from time to time been impressed with the fact that realizable assets, i.e., waterworks, lands, buildings, etc., of what might be termed a salable nature as contrasted with street improvements—are worthy of consideration in determining the financial position of a community. This is probably more noticeable in comparatively small communities than it is in the larger ones, for the ownership of such lands and buildings and similar properties as are necessary for the conduct of the community's affairs, permits of material reductions in the annual budget as compared with those communities which do not own such properties. I have, therefore, advocated where such information is available, that it be given along with the other facts. In an older settled community, it is also a "rule of thumb" by which to judge whether in the past monies have been well and judiciously spent or not, and it is often the explanation as to why the municipality has what at first sight appears to be an indebtedness larger than normal."

About Public Utilities

Mr. Beebe outlined the difficulties an investor has in determining the real "net debt" of a municipality. While in the past it had been deemed permissible to deduct from a municipality's indebtedness the amount due on water works and similar "revenue-producing" divisions of municipal operations, these departments had of late been tremendously increased by municipal ownership of utilities of a dozen different kinds. A good many of these utilities produced a revenue more than sufficient to meet operating expenses and he saw no reason why the indebtedness charge piled up by these utilities should not be deducted from the city's gross debt the same as the waterworks debt.

The trouble was, however, that a great many municipally owned public utilities were operated at a loss, said Mr. Beebe, adding:

"By far the large majority of those people who are in a position to speak understandingly and who have given voice to their opinion, have stated that the municipal operation of public utilities is not feasible. We are all well acquainted with the reasons which have been advanced and there is no doubt that in a very large majority of cases operation under the control of municipal officials has been extravagant and generally short-sighted, and this has been particularly true of that type of utility which required the employment of a large number of persons."

WINNIPEG'S HYDRO

An Expenditure of $1,350.000 to be Undertaken Next Year

WINNIPEG.—An expenditure of $1,350,000 on its Hydro-electric system is to be undertaken by the city next year if a recommendation of the Fire and Light Committee is adopted by the council. It was stated that the business of the department had increased by leaps and bounds during the past year. The increase in the straight supply of electricity had been 30 per cent., and the indications are that next year's increase would be even larger.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

MONEY BY-LAWS

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TENDERS WANTED

Nov. 24, Renfrew.—$17,500, 6 per cent., 30-year, waterworks debentures.

Nov. 3, Bridgeburg.—$50,000, 6 per cent., for additions and improvements to public school. R. A. Land, Town Clerk, Bridgeburg. (See announcement on page 13.)

Oct. 27, Township of Trafalgar.—$82,014.23, 6 per cent., 20-year debentures. S. R. Albertson, Clerk, Trafalgar P.O.

BY-LAWS TO BE VOTED

January, London, Ont.—$50,000, for replacing the Ridout street bridge; $100,000 for new reservoir.

Nov. 10, St. Mary's Ont.—$1,000, for soldiers' club house and monument.

Nov. 28, Winnipeg.—$600,000, for municipal milk depot bonds; $350,000 for a new bridge.

Oct. 27, Mount Forest.—$5,000, to assist the Superior Knitting Mills Co., to establish a factory at Mount Forest.

BY-LAWS PASSED OR DEFEATED

Wingham.—$40.000, to cover cost of the Hydro distributing plant. Carried by the property owners by a vote of 236 to 18, on October 17.

A by-law to give the Aero Inner Cushion Tire & Rubber Co. a fixed assessment of $5,000, exemption of taxes except school and county rates, etc., carried by a vote of 270 to 53.

Ingersoll.—$120,000, for the erection of a 16-roomed central school. Carried by the ratepayers on Oct. 17, by a majority of 395.

Renfrew.—$25,000, for the erection of a new fire hall. Carried by the property owners on Oct. 18.

Oak Bay.—$65,000, for a new school at the Willows. Carried by the ratepayers on Oct. 4, by a vote of 237 to 53.

Simcoe.—$6,000, for public utility debentures. Passed by council on Oct. 6.

Ottawa.—$50,000, for the purposes of the Collegiate Institute Board. Passed by the Council on Oct. 6, registered on Oct. 8.

DEBENTURE NOTES

Alberta. — Permission has recently been given to several municipalities by the Alberta Public Utilities Commission, to raise money by way of debentures for much needed improvements. Fort Saskatchewan has obtained permission to raise $11.000 for school additions; Vegreville will raise $10.000 for a similar purpose; Vermilion will borrow $20,000 to be expended on a fire hall and improved fire protection; Grande Prairie will raise $10,500 for a new town hall and extension of the waterworks; Drumheller will borrow $21,000 for waterworks extension; Mundare is asking for permission to raise $8.000 for fire protection purposes. Calgary will issue $210,000 debentures for the purchase from the Government of the old Normal School building.

Winnipeg.—An expenditure of $1,350,000 on its Hydro-electric system is to be undertaken by the city next year. if a recommendation of the Fire and Light Committee reached at a recent meeting is adopted by the Council. It was stated that the business of the department had increased by leaps and bounds during the past year. The increase in the straight supply of electricity had been 30 per cent., and the indications are that next year's increase would be even larger.

Fort William. — School. debenture bonds to the amount of $10,000 in denominations of $100 each, will be offered for sale by the city treasurer in the near future at par, bearing interest at the rate of 5 per cent., and covering a period of thirty years. These bonds will not, however, be put on the market until after the subscription lists to the 1919 Victory Loan are closed, in order that the two may not clash together.

A short time ago the city disposed of school debentures covering the Collegiate Institue to the amount of $80,000 and since that time $87,000 more has been issued in connection with the collegiate. In addition to this the sum of $23,000 of public school debentures will be offered for sale in denominations of $1,000.

London, Ont.—A by-law to authorize an issue of $100,000 debentures for the first half of a two-million gallon reservoir at Springbank, will be submitted to the people at the next election.

BOND SALES

$1,500 Asbestos at 78; $1,000 Ames-Holden at 93; $500 Can. Rubber at 97; $1,000 Can. Locomotive at 94; $11,500 Can. Cement at 99¾ to 99½; $5,000 Cedar Rapids at 87; $1,000 Can. Bread at 94; $4,000 Dom. Textile at 100 to 99¾; $3,000 Dom. Cotton at 99; $25,000 Lake of Woods at 99¾; $2,000 Ogilvie "B" at 100½; $15,000 Penmans at 90 to 89⅝; $1,000 Price Bros. at 84⅞; $4,500 Quebec Rly. at 65½ to 65; $200 Riordon at 97; $2,000 Sao Paulo at 80; $14,500 Steel of Can. at 97½; $24.600 Wayagamack at 89 to 85¼; $307.100 Victory Loan (1022) at 100¼ to 100⅛; $569.350 (1923) at 100½ to 100; $102.300 (1927) at 102⅛ to 102; $953,300 (1933) at 103¾ to 103¼; $424.000 (1937) at 104¾ to 104⅝; $21,500 War Loan (1925) at 97¾ to 97½; $111,100 (1931) at 99 to 98⅝; $230,000 (1937) at 100⅜ to 100⅛.

HALIFAX TAXES MUCH REDUCED BY EXEMPTIONS

Situation Becoming Acute and the Outlook Serious

DEMANDS ON OTTAWA

Suggestion That a Federal Grant Should be Made in Order to Supplement the City's Local Income

HALIFAX.—John McKeen, of this city, formerly manager of the Bank of Nova Scotia at Ottawa, Amherst, Halifax and other places, and now retired but taking an active interest in civic affairs, is out with an article in which he holds that the enormous exemptions of taxable property in Halifax by the Dominion and Imperial Governments, and the consequent rapidly rising rate of taxation, is a menace this city faces and about which something must be done if the city is to be saved from financial impairment. The Dominion and Imperial Governments between them have property which is exempted, amounting to $12,000,000, causing a loss in revenue of $340,000 this year. Mr. McKeen points out that in Ottawa the Dominion Government gives that city a grant of $370,000 to offset exemptions, but that Halifax receives nothing. Our civic finances, Mr. McKeen says, have reached a stage where something drastic must be done.

Five years ago the civic budget was $601,901. Now it is $1,291,317, and he believes that in the next five years it will double again. Exemptions, too, are increasing. There are two ways of meeting the situation, he says, one the easy, blunt way of increased taxation, the other to attract increased population and help share the burdens.

But, as he points out, these two do not always run parallel. There must always be a danger limit to increased taxation. What is urged by Mr. McKeen is that representations be made to the Dominion Government which will succeed in having a grant from the Federal Government that will offset the loss of revenue through exemptions, as is done in the case of Ottawa. He says that in England the law has been established that such grants should be made and have become the policy of the British Government. In Halifax there are church exemptions of $8,000,000, but these are not discussed at present

ALBERTA'S FINANCES

Will Wait for Canadian Market After Victory Loan

EDMONTON. — Nothing will be done in the way of floating another loan for the Provincial Treasury of Alberta until after the Victory Loan is disposed of. This is the announcement that Hon. C. R. Mitchell makes on his return from a trip to Eastern financial centres. It means that no further effort will be made in the direction of a new Alberta issue of bonds until December, or early in January, when a loan of probably $2,000,000 will be put through. Arrangements have been made for carrying on the province's business in the interval, and no difficulty on that score is anticipated.

The Finance Minister visited New York and other large money centres while in the East, but found the markets there in such a condition that he concluded better prices could be secured in Canada.

TOWN OF BRIDGEBURG

Debentures for Sale

SEALED Tenders addressed to the undersigned will be received up to 6 p.m., Nov. 3rd, 1919, for the purchase of $50,000 Debentures bearing interest at 6%, to pay for additions and improvements to the Bridgeburg Public School.

The lowest or any tender not necessarily accepted.

R. A. LAND,
Town Clerk,
Bridgeburg.

Oct. 15, 1919.

R. C. Matthews & Co.

Canadian Government Bonds

Investment Securities

C.P.R. BLDG. TORONTO

Your Savings

To provide for your old age your savings should be safely invested in good Bonds. The coming Victory Loan will offer a splendid opportunity for you.

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Canada

W. L. McKinnon Dean H. Pettes

W. L. McKINNON & CO.

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Municipal and Government Debentures

McKinnon Building - Toronto

W. F. Morgan-Dean Geo. R. Harris

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FIRST MORTGAGE
Industrial Bonds
Maturing 1920 to 1934

Secured by assets 4½ times the total bond indebtedness. Net earnings for 1918 equal to nine times the bond interest.

TO YIELD **7%**

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Advertising rates and full particulars on application.

The Atlantic Leader
HALIFAX

VICTORY LOAN 1919

"... My aspiration is .. that the final war financial effort of this country shall be as completely successful as the final effort of our boys overseas."
—*Sir Henry Drayton*

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Telephone Adelaide 2991

IT IS THE DUTY OF EVERY EARNEST CANADIAN NOT ONLY TO INVEST HEAVILY IN VICTORY BONDS, 1919, BUT TO WORK AMONG HIS NEIGHBORS TO MAKE THE LOAN A SUCCESS.

Housser, Wood & Co.
INVESTMENT BANKERS
10-12 King St. East, Toronto

Canada's Final Victory Loan

Not only is the money urgently needed to carry on the very important work of reconstruction, but also we strongly recommend heavy purchase of the new loan because, doubtless, it will be the last opportunity to secure at moderate cost a government bond yielding 5½%

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We specialize in unlisted bonds and stocks, and will be pleased to furnish free quotations, bids or offerings.

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NEWS OF THE BOND MARKET

TERMS OF NEW VICTORY LOAN ARE ANNOUNCED

Five and a Half Per Cent. and Interest—Advantage for Cash

THE PRESENT MARKET

Sir Thomas White Strongly Defends Policy of New York Loan and Previous Interest Rates

The terms of the forthcoming Victory Loan as announced this week by the Minister of Finance, Sir Henry Drayton, are in keeping with forecasts which have been made in these columns. Interest will be at the rate of 5½ per cent. per annum, and the price will be par and accrued interest. A slight advantage on the price of 100 may be obtained by subscribers paying in full with application, as the price to them will be flat and they will receive a full six months' interest on the first of May, 1920, while the campaign does not close until November 15. This, however, will only be a factor in relation to large cash subscriptions.

The term of the bonds will be optional with the purchaser as between five and fifteen years, due November 1, 1924, and November 1, 1934 respectively; interest is payable November 1 and May 1.

Purchasers may pay in full with application or in five instalments as follows: Ten per cent. on application; 20 per cent. December 9, 1919; 20 per cent. January 9, 1920; 20 per cent. February 10, 1920; 31.21 per cent. March 9, 1920. The last payment of 31.21 per cent. covers 30 per cent. balance of principal, and 1.21 per cent. representing accrued interest at 5½ per cent. from November 1 to due dates of the respective instalments. After the initial payment subscribers to have the privilege of paying in full on any due date thereafter, with accrued interest computed at the rate of 5½ per cent. per annum.

Banks and Small Subscribers

The banks will, as in the last campaign, give special service in connection with the loan, particularly for the benefit of small subscribers. An Ottawa announcement says:

Arrangements have again been made with the banks for the purchase of bonds by small subscribers on the instalment card system, spreading the payments over ten months. Up to their capacity the banks will also accept bonds from small investors for safe-keeping, without charge, for a period of one year.

As in 1918, bearer bonds will be available through the banks for delivery at the time of application to subscribers making payment in full. Bonds registered as to principal only, or both as to principal and interest, in authorized denominations will be delivered to subscribers making payment in full as soon as the required registration can be made. Bonds with coupons will be issued in denominations of $50, $100, $500 and $1,000, and may be registered as to principal. Fully registered bonds, the interest on which is paid directly to the owner by Government cheque, will not be issued in denominations lower than $500. The subscription lists will open on October 27 and close on or before November 15, 1919.

Amount of the Loan

The Minister announces that while the stated amount of the issue is $300,000,000, all or any portion of subscriptions above that amount may be accepted by the Government. That the total will be greatly beyond the figure mentioned is already taken as a matter of course. It was announced at the meeting of manufacturers in Toronto on Wednesday, that the basis of the minimum effort of the campaign is set at $450,000,000, and it is expected to go well "over the top" with regard to that amount. At this meeting Sir Thomas White made a strong case for the issue from the national standpoint, and for his own policy as Minister of Finance. He took up such matters as the Government loan in New York, of which criticism was offered on account of the price and the rate of interest on previous issues in Canada, and offered in defence of his policy the fact that every investor was to-day able to get all his money back or more, and this would be the big factor for the success of the forthcoming issue.

Previous Issues

The outstanding Government war issues are summarized as follows:

1st—December, 1915, $100,000,000, 5 per cent., 10 years, issued at 97.5.

2nd—October, 1916, $100,000,000, 5 per cent., 15 years, issued at 97.5.

3rd—March, 1917, $150,000,000, 5 per cent., 20 years, issued at 96.

The Victory Loans were:

1st—November, 1917, $150,000,000, 5½ per cent., 5, 10 and 20 years, issued at 100.

2nd—November, 1918, $300,000,000, 5½ per cent., 5 and 15 years, issued at 100.

Organizations have been formed amongst the different faculties of McGill University and an energetic canvass will be made on behalf of the loan.

BIG BRITISH LOAN

$250,000,000 of 5½ Per Cent. Ten-Year Notes to be Sold

NEW YORK.—J. P. Morgan & Co. announce that they have been authorized by the British Government to place in this country $250,000,000 three and ten-year 5½ per cent. notes. The proceeds will be used in part to retire the outstanding balance of about $135,000,000 British Government 5½ per cent. notes that mature November 1, and the remainder will be available to the British Government for its requirements in this country or for those of British merchants to whom the British Government may sell the dollar exchange.

EXCHANGE BENEFITS BRITISH INVESTORS

An Explanation of the Present Liquidation of Canadian Optional Securities

LONDON.—The liquidation of Canadian securities in Canadian markets has been marked since the developments in the exchange situation have encouraged such a course to the present benefit of the holder and the potential interest of the buyer. That the advantages of the situation extend to holders of various issues with the option of cashing their options either in London or Canada is pointed out by Canada (London). City of Maisonneuve's 5 per cents, for example, have been commanding a relatively high market owing to this optional condition, the holders benefiting to the extent of the premium they are able to obtain on their dividends. It is pointed out that while there seems to be no immediate prospect of the rate recovering to par—and indeed we have heard of bets being made that it would be under $4 before Christmas and $3.80 in 1920—it must always be remembered that such a benefit is purely adventitious, and it is in the highest degree inadvisable to capitalize it as has actually been done in various cases. The present price, Canada thinks, "affords an opportunity for selling and reinvesting the proceeds at a more remunerative rate of interest."

At the present juncture it may not be inapropos to set out brief particulars of the leading Canadian Government issues, showing their latest markings and yields, together with the respective quotations for the same securities at the end of July, 1914:—

	Latest Marking	Yield Per Cent.			Mean Price July 27, 1914
Canada, 4%, 1940-60.	78¾	£5	1	1	98
Do., 4½%, 1920-25.	95	4	14	9	..
Alberta, 4½%, 1924*.	107	4	4	1	..
Do., 4%, 1922†....	101¾	3	18	8	95
B. C., 4½%	85¾	5	4	11	99
Man., 4%, 1928......	87¾	4	11	2	92
Newfld., 4% Ins....	82	4	17	7	99
Ont., 4% Reg., 1947.	77⅝	5	3	1	94
Que., 4½% Reg., 1954	83½	5	7	9	100
Sask., 4%, 1923‡....	102½	3	18	1	94
Do., 5¾%, 1924-34§	100¼	5	14	9	..

*Payments made in London at fixed exchange of $4.86 2-3 to the £1, or in dollars in Toronto, Montreal, or New York.

†Payments in sterling in London or in Canada at the par of exchange.

‡Payments in sterling or in Canada and New York at the par of exchange of $4.86 2-3.

§Payments in sterling in London or in Canada at the par of exchange.

A glance at the yields column shows returns of well under 5 per cent. on half a dozen of the securities dealt with. In part this is due to the comparatively early dates of redemption, but the question of exchange has also been largely responsible for this disparity in yield as compared with that on British gilt-edged and other high-class issues. Canadian securities are advised to look through their investment lists and consider whether it would not be advisable for them to take advantage of the present abnormal position and realize their holdings and reinvest the proceedings in stocks giving a materially higher return on the capital.

PREFERRED ISSUE AT 8%

Rumor Promises Novel Offering in Paper Deal

MONTREAL.—While no official announcement is likely to be made as to the nature of the purchase of the Toronto Paper Mfg. Co. by Howard Smith Paper Mills, it is understood that an 8 per cent. preferred issue is under consideration, such as was recently put out by the American Woollens to the extent of $15,000,000. This would be a novelty in Canadian securities.

President R. S. Waldie of the Toronto Paper Manufacturing Company has addressed a circular to shareholders in connection with the sale. All shareholders who wish to accept this offer are asked to deliver their stock certificates to the Royal Trust Company, Toronto, as soon as possible. The Trust Company will give temporary receipt for the certificates, and will issue cheques for the stock at the agreed price of $138 per share.

PUTTING LOAN OVER WITH THE EMPLOYEE

Practical Plans Discussed at a Meeting of Toronto Manufacturers

At the meeting of Toronto manufacturers on Wednesday some very practical ideas were put forward by Frank A. Rolph, of Rolph, Clark, Stone, Limited, and J. S. McLean, of the Harris Abattoir Company as to successful methods for enlisting the support of employees for the Victory Loan. They and other speakers emphasized the necessity for organization as the first essential in the effort, the chief idea being to so divide the institution as to create a spirit of competition; after that the campaign was largely carried by the momentum of the enthusiasm created.

At the Harris Company every effort was made prior to the campaign to educate the employees as to the significance and importance of the loan, with particular emphasis placed upon the fact that it was an investment which the subscriber not only got 5½ per cent. interest, but was reasonably insured of an increase on his principal if he decided to sell. Subscriptions were not solicited so much in the national interest as in the interest of the employee himself, whose welfare depended upon the prosperity of the nation. The whole plant was divided into teams with captains and lieutenants; outside representatives were asked to subscribe by wire; a blackboard was put up to note the progress of the campaign, and a preliminary entertainment was held on the eve of the campaign, at which all questions were answered and the whole situation thoroughly explained. The result had been an early and enthusiastic response.

Mr. Rolph went into details of schemes which have been found successful in securing subscriptions from employees. He explained an application form used at his plant which had outlined an agreement between the employee and the company and had a subscription coupon attached. Under this arrangement the company took $1 per week from the wages of the employee each for each $50 subscribed until the total was paid. Other conditions were covered as follows:

Coupons will be cut from the bonds covering the 5½ per cent. interest on 1st May, 1920, and the amounts handed to the subscribers by the company. By Friday, 29th October, 1920, bonds will be paid for and on that date and thereafter employees will be able to cash their own coupons—(coupons are payable to bearer) and at the end of 5 or 15 years to cash the bond itself.

Should an employee leave the company's service before the bond is fully paid for, the total amount deducted from his wages will be paid him, less only such interest coupons (if any) as have been given out and the bond will be taken over by the company.

Mr. Rolph also explained that in the case of his company a special offer was made by which the first instalment of $1 for every $50 was paid by the company, the employee receiving his bond when $49 had been deducted on the basis arranged. Further, up to $500 the company promised to pay bonds to the full value of the subscription in the event of the death of the employee during the period covered by the arrangement.

LOCAL ISSUE AT 'PEG

Alderman McLean Suggests That City Finance Itself

WINNIPEG.—That the city should throw its bonds on the open market is suggested by Ald. McLean. The present method of placing City of Winnipeg bonds is to have them handled by the Bank of Montreal, the city's fiscal agent, who sells them to New York or Toronto concerns.

"I would suggest," said Ald. MacLean, "that they float an issue here. There is sufficient money in the city to take care of all the debenture stock, and we could very easily throw two millions of bonds on the open market and sell it, with advantage to the public."

The bonds, according to his scheme, should be in five, ten and fifteen-year terms, in $50 and $100 amounts, with five per cent. interest. "They should be made as attractive as Victory Bonds," he said, "and with these terms, the purchase of a bond would be very easy, and if the buyer desired to dispose of it, the sinking fund trustees could accept the bond."

"We have ten million dollars lying dormant here in banks earning three per cent., and what we should do is convert that into bonds to be placed on the market where the public will earn five per cent. and benefit by it," the alderman declared.

A subscription of $400,000 to the Victory Loan was cabled this week to the Montreal Committee by James Redmond, a member of the Board of the Royal Bank, from London, where he is on business.

"......and I thank you for so carefully carrying out my instructions which I appreciate very much."

—Extract from a letter from a gentleman who placed important business interests in our hands before leaving for Florida for the winter.

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LIFE INSURANCE AS PROTECTION

The motive that prompted the inventors of life insurance was the desire to furnish protection. Savings and investments are invaluable accompaniments, but the feature that sells life insurance is protection. That company confers the greatest benefit upon its members that gives "the greatest amount of genuine life insurance protection for the least possible outlay." This aim has ever been the guiding star of the Mutual Life Assurance Company. Following out the principle of co-operation as the Mutual has done means that the company allots the whole of its profit, from all sources whatsoever, to the policyholders, thus reducing their expense for insurance to actual cost—the only Canadian company operating on this principle. The experience of the Mutual has fully justified the hopes of its founders who fifty years ago planned the institution on the basis of

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J. F. HOBKIRK, MANAGER

INSURANCE AND REAL ESTATE

DANGER OF DUST FROM GRAIN NOT TO BE TOLERATED

Underwriters Condemn Indifference of Grain Elevator Managers

SUGGEST AIR SUCTION

Grain Trade is Called Upon to Dispose of Systems Which Allow Dust to Accumulate in Dangerous Quantities

Condemnation of the indifference of grain elevator managers to the dangers of explosions of accumulated dust is expressed in a special report issued by the Underwriters' Grain Association of Chicago, on the Port Colborne explosion, which occurred in August last, and on a similar explosion that occurred in Kansas City last month. "Grain elevator dust is as dangerous in its possibilities as gasoline, and its presence is not to be tolerated," says the report.

The re-introduction of the air suction system of handling grain is asked for, and the report continues:

"Grain owners have rights in the matter of weights and grades which deserve consideration, but when considered against safety to life and property the decision should go in favor of permitting air suction apparatus under uniform regulations.

"It is suggested such systems be attached to all elevator boots and heads, all garners, if possible to all scale hoppers, to all fixed discharge spouts and over all belt conveyors at fixed belt leading points. It is not feasible to attempt air suction on movable apparatus. The convenience of floor intakes as a means of removing dust and sweepings is too well known to need comment. It is desired that elevator operators and the grain trade generally actively take cognizance of this question, with the idea of restoring the use of air suction systems to dispose of this dangerous dust and prevent the rapid accumulation of it now common in even the best regulated houses."

Fireproofing Not Enough

"Explosions of this sort have been common in terminal elevators for years, but heretofore they have come in combustible elevators and the fires which followed have destroyed the property and have gone down in the history of the business as fires. The result has been to obscure the importance of the explosion hazard itself and elevator operators, especially those with combustible houses, have felt that it was a question of guarding against fire. Those with fireproof houses have concluded they were immune, and a general attitude of tolerant indifference toward dust, dirt and fire hazards is noticeable in many of those properties.

"Flour mills used to have disastrous blow-ups, all traceable to indifference to the accumulation of dust. They still suffer from occasional puffs, but it is to be noticed that, following the destruction of the Washburn Mill in Minneapolis in the '80, the flour mill trade woke up. They tightened up the apparatus, did away with dangerous machines, put on regular sweepers and have steadily overcome the hazard. In the meantime, the elevator trade has stood still. The only contribution to increased safety is the so-called fireproof elevator, and with its advent some concerns seem to feel that casual care is all that is necessary, and proceed to cut off the expense represented by regular sweepers."

SEPTEMBER FIRE LOSSES

Canada Contributes 11 Fires Of Over $10,000 Loss

Losses by fire throughout the United States and Canada during the month of September are estimated at $29,083,500, an increase of more than 100 per cent. over 1918 and 1917. In September of last year fire losses were $13,434,300, and in 1917, $13,812,490. The increase was made up largely of a few very large fires, including the Standard Oil fire at Long Island City, where the loss was $4,250,000; a nitrate warehouse at Sheffield, Alabama, valued at $2,000,000, and the court house at Omaha, fired by rioters, involving a loss of $1,100,000. Of the total fire loss, Canada's share was $1,627,500.

During the month there were 246 fires in which there was an estimated property damage of $10,000 and over, and of these 11 were in Canada. The grand total of fire losses in the two countries for the first nine months of the year reaches the amazing total of $204,825,075.

INSURE FOREIGN CREDITS

British Company to Help United Kingdom's Exporters

Insurance against bad debts incurred in foreign trading will be provided by the newly incorporated Trade Indemnity Company, which has recently been organized in Great Britain as a subsidiary of the British Trade Corporation. A message from the American consul in England describing the manner of writing credit insurance says:

"The object of the new company is to assist British merchants and manufacturers in developing overseas business by insurance. Policies are issued insuring the payment of commercial debts, thus enabling an exporter to increase his present volume of trade without incurring greater capital responsibilities. Under approved conditions the company will advance to the assured the amount of its liability in respect of any debt insured, against transfer of the debt, and payment of interest on the amount advanced, until the net outcome of an estate is ascertained. The company grants policies insuring up to two-thirds of a client's whole turn-over against ultimate loss. Policies are also granted to cover a proportion of such losses as may arise should a forced resale of goods become necessary in consequence of buyers becoming insolvent and thereby unable to take up shipping documents. The company likewise grants policies insuring against a proportion of trader's losses in any one year in excess of an agreed percentage of loss on turnover to be borne by the assured. The company is also prepared to grant policies insuring approved accounts up to three-fourths of the amount of a debt."

WOMAN'S POLICY HAS HIGH MORAL HAZARD

That is Why Insurance Companies Do Not Welcome Them

Why is a man a better risk than a woman for life insurance? Despite the gallant decision made by Canadian Life Underwriters at their Calgary convention to admit women to life insurance at the same rates as men, the companies have no intention of putting men and women on an equal basis. The decision of the Calgary convention came after an impassioned plea from Mrs. Nellie McClung for equality of the sexes in insurance matters, but the resolution passed by the convention approving of the admission of women to the rates enjoyed by the men-folks, was in some respects, a "joker," for only a few of the smaller companies make any distinction in rates to both sexes, providing the company consents to write the policy at all. That is where the treatment accorded the sexes differ.

"The reason we will write only a small amount of insurance on women except in special cases is the same reason that fire insurance companies refuse to write a larger policy on a building than its value calls for," said an insurance actuary, adding, "A man requires insurance on the head of a family to protect his wife and children. His wife does not require insurance for protection, and if a policy is granted her it is granted without reason, and has too high a moral hazard."

Most companies, it may be noted, in granting a policy to a woman, provide that they shall be only partially liable for the amount of the policy until after the first child is born.

The argument has been advanced that a married man is forced to a great expense in the event of the death of his wife, and must often provide a housekeeper and possibly governesses for his children. The companies have recognized the justice of this claim and some of them write policies on women up to a small amount.

ONE CAREFUL DAY

Chicago Proves Efficacy of Fire Prevention Plans

Is it worth while making an honest attempt at preventing fires. The experience of Chicago on Fire Prevention Day provides an emphatic answer to that question. On Fire Prevention Day in Chicago, fire losses totalled only $50, the smallest amount recorded since the Windy City was a cross-roads village. The amount was so small as to preclude any comment that it was due to a coincidence.

Chicago probably celebrated Fire Prevention Day more enthusiastically than any other large city in the United States and Canada. All day long meetings were going on in all parts of the city, and United States naval vessels gave demonstrations of smoke screen work on the water-front. Vast crowds gathered to witness the display which was supplemented by demonstrations on fire prevention. Fire works, co-ordinated with suitable lessons in fire prevention, displaced the naval display in the evening.

HUN THRIFT MAY WIN

Work May Make Central Empire Dangerous Again

Emphasizing the danger of Germany recovering her former commercial supremacy by thrift and work, while Canada, England and the United States were passing through internal strife and labor troubles, E. W. Beatty, president of the C.P.R., told Queen's University students on his induction as chancellor, of Canada's need for greater efficiency in its industries. The new chancellor laid stress on the fact that commercial and industrial inefficiency were rampant in this country; so much so that on his own railroad inefficiency meant a waste of $9,000,000 a year.

PRIVATE COMPANY TAKES CHARGE OF HALIFAX HOUSING

Work Turned Down by City, Undertaken by Montreal and Local Capital

ERECT 100 HOUSES

Three Million Dollars Already Loaned This Year on Building Mortgages by Lending Companies Alone

By Resident Representative.

HALIFAX.—After the city council of Halifax has turned down the proposal to establish a housing scheme under the grant of funds at five per cent. from the Federal Government, it appears that a company of capitalists in Halifax, with substantial assistance from Montreal, is ready to undertake the enterprise. The city, by a narrow majority, rejected the housing plan as a municipal work, chiefly on the ground that it was financially unsound and would eventually mean a loss, more or less large, to the ratepayers. It was the subject of a great deal of controversy, and the rejection of the proposal left some heartburnings.

The company that now proposes to undertake the enterprise, has a capital subscribed of $150,000, of which the land at the disposal of the company, and which was controlled by Montreal parties, represents $50,000. The possession of this land gave the company a great advantage, but it would also have been available for the city at a price had they gone ahead. It is proposed by this Halifax Housing Company to erect as a beginning 100 residences, and if in the future there is a demand for more they will build a yet larger number. With a capital of $150,000 the company has approached the Provincial Government, and has obtained their approval, and the promise of $400,000 of the federal grant at 5 per cent. interest. The total amount which the city of Halifax could claim from the federal grant is about $750,000, so that there is still $350,000 remaining for this or some other company to claim as an aid should they feel like a further embarkation in the house-building enterprise.

Confident of Success

The company proposes to build houses to sell at three prices: $3.500, $4,000 and $4.500. It is understood that A. H. Minshull, at present manager of the real estate department of the Eastern Trust Company, will be manager of the new concern. They are confident, notwithstanding the action of the city council, that it can be made a financial success. It is freely admitted at the same time, that while they may be able to accomplish this result the city, acting as a building company, might have failed. Private efficiency is so much superior to what we have seen of municipal management that people are ready to allow for a great deal of latitude as between the chances for success under a corporation, with a good board of directors, and a capable manager and a proposition run directly by the city fathers, no matter how well meaning they may be.

The manager of a loan company informs The FINANCIAL POST that this year there has been advanced in Halifax, by the lending companies, no less than three millions of dollars for the purpose of house-building, and this in addition to what private citizens have loaned on ordinary mortgages, for a good deal of this is still done in Halifax. The money is advanced, too, on the best of security, the average being that the owner puts up 50 per cent. of the cost. He said that there is no difficulty to dispose of all available funds on this margin and, as showing the amount of business to be done, that his company had advanced as much money in six months this year as in the whole twelve of last.

PAPER COSTS DOUBLE

1913 Index Number of 600 is Now at 1450

How production costs in the fine paper industry have advanced is shown in a table prepared by the American Writing Paper Company. Taking 600 as the index number of the cost of the six principal commodities entering into the manufacture of paper in 1913, it is shown that by the time the armistice was signed the index number had risen to 1258, an increase of 109 per cent., and it now stands at 1450, a further increase of 15 per cent.

It is pointed out that there is no immediate prospect of a reduction in costs, but that the outlook is very uncertain unless a stable and large volume of business is maintained.

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The Standard Bank of Canada

QUARTERLY DIVIDEND NOTICE No. 116

A Dividend at the rate of Three and One-Quarter Per Cent. ($3\frac{1}{4}$%) for the three months ending 31st October, 1919, has been declared, payable on the 1st November, 1919, to Shareholders of record as at the 21st October, 1919.

By order of the Board,
C. H. EASSON,
General Manager.

Toronto,
September 26th, 1919.

Sixty-five thousand dollars was paid by the Bank of Montreal for a site for their Fort William branch. The property is located at the corner of Victoria Avenue and Simpson Street, and has a combined frontage of 95 feet, which makes the selling price about $29 a square foot. The bank has occupied the site for a number of years but will now erect a new building.

CREATING STABLE PROPERTY VALUES BY REGULATIONS

Town Planning Advocates Point Out Effect on Mortgage Loans

SAY MILLIONS LOST

Lack of Proper Ordinances in the Past Has Meant Injustices for Many Investors, Who Are Now Suspicious

The town planning conference in Ottawa last week, with its discussions of zoning, scientific planning of streets, lots, homes, etc., brings up the question of the possibility of stabilizing property values by regulations preventing expansion in areas that are not capable of development commensurate with the false property values created, and preventing encroachments by industrial enterprises on residential areas, to the detriment of the latter. Hundreds of millions of dollars, it is estimated, have been lost to real estate investors because of the lack of proper zoning regulations, and one city planning expert blames the present situation in real estate, which is regarded wtih suspicion when offered as investment, to the lack of regulation in the past.

Zoning and area planning are not the only forms of regulation that are asked. Some people contend that skyscrapers are a public nuisance, and there are cities where they are prohibited. There is evidence to support this theory, for the president of the Board of Assessors of New York City has prepared a long list of buildings on which reduction by as much as one-half had to be made in the assessment because of the erection next door of a building tall enough to cut off light and air.

Points Out Advantages

The views of Charles H. Cheney, a Pacific Coast town planning secretary, can be quoted in this regard. He says:

"There have been hundreds of millions of dollars of property values depreciated in the United States in the past decade for lack of such regulations. Investigations show that most of these losses are entirely unnecessary, and that a sensible and practical determination of business, residence and industrial zones or districts will stabilize land values, protect home neighborhoods, help to build up retail business at well established and convenient centres, and, above all, provide a safe place for industries.

"So many agents in different cities have told me of having the following experience that it is probably well-nigh universal. An agent sells a cautious investor a good piece of income-bearing property in a seemingly good location. Next month or next year the adjoining property is acquired by a new owner and turned into an undertaking parlor, a laundry or a public garage, thereby depreciating the rental return of the first investor and of a number of adjoining properties. The real estate agent is then blamed, and most unjustly, for having advised the first purchase. In other words there is no stability to real estate in most cities because of the lack or any regulation to prevent undesirable uses of property from encroaching in the same block as good residence, good apartment or good business, income-bearing property.

"Another common case in large cities is where a six or an eight storey building is put up in a block of lower buildings and immediately fills up on account of its better light and air, sometimes showing as much as ten per cent. net rental return. Only four or five years later this building is in turn surrounded by twelve to fifteen storey builings which cut off its light and air, particularly on the lower floors, the tenants move out to higher and newer buildings, the net income falls to two or three per cent. and the building often sells for less than the amount of its mortgage."

Mr. Cheney believes in the theory that property values can be stabilized by municipal regulation, and moreover he points out that cities that do not adopt the necessary ordinances are going to find themselves in disfavor with the large mortgage companies, who will prefer to loan money in cities that protect investors in real estate.

EMPLOYMENT SITUATION

Still Further Improvement First Week of October

OTTAWA.—Weekly reports from employers to the Dominion headquarters of the Employment Service of Canada, Department of Labor, indicate that, disregarding unemployment due to strikes, there was a slight increase in the volume of employment during the week ending October 4.

Returns for the week ending October 4 were received from 4,311 firms, of which 1,968 were in Ontario, 923 in Quebec, 423 in the Maritime Provinces, 616 in the Prairie Provinces, and 381 in British Columbia. These firms reported a payroll of 646,121 persons, as compared with a pay-roll of 645,000 during the preceding week—an increase of 1,121 persons, of .2 per cent. A further increase of 1,567 persons or .2 per cent. was anticipated for the week ending October 11.

Everyone Who Bought Canada's Victory Bonds Made Money . . . . . .

EVERY one of the million and a half subscribers to Canada's Victory Bonds knows that he can sell them today for more than he paid for them.

Every one who bought Canada's Victory Bonds has received 5½ per cent interest per annum---paid twice a year.

Over half a million Canadians who bought Canada's Victory Bonds on the instalment plan saved money that they would not otherwise have saved.

The guarantee back of Canada's Victory Bonds is the same as the guarantee back of a One Dollar or a Two Dollar bill. There is this difference, however, that you get interest on the Victory Bonds and you don't on the One or Two Dollar bill.

Canada's Victory Bonds will always be accepted as security for a loan.

Banks are ready to loan money on Canada's Victory Bonds.

Canada's Victory Bonds may be turned into cash at any time.

There is no other way in which you can invest your money with such absolute security---paying such a good rate of interest.

Canada will soon give her citizens an opportunity to buy Victory Bonds 1919. It will probably be the last chance to buy Canada's Victory Bonds on such favorable terms.

Prepare to buy as many Victory Bonds this time as you now wish you had been able to buy the last time.

Victory Loan 1919

"Every Dollar Spent in Canada"

Issued by Canada's Victory Loan Committee, in co-operation with the Minister of Finance of the Dominion of Canada.

23

SILVER SELLS HIGHER

Metal Being Trade In At Higher Than Official Price

That the New York market for silver is independent of the London market is shown by the fact that silver is being bought and sold in New York at from 3 to 3½ cents above the official market price, which is also the official market price in Toronto. The so-called official price is based on the prevailing quotation in London, and is set after due allowance is made for the difference in exchange and the cost of shipping between the two continents. Prior to the war, when the New York market followed London, sales were uniformly made at about the official quotations, either ⅛ cent above or below. But nowadays, international dealers in the metal are paying scant attention to the London parity, and actual sales are above the official price in New York.

The reason for the high New York prices is the tremendous demand from China, where the exchange remains above the export parity, making it profitable to ship silver to that country.

TRANSFER ENEMY SHARES

Enemy-Owned Stocks Revert to Minister

One million dollars of German capital invested in Canadian enterprises is involved in a petition filed in Montreal asking for the transfer to the Minister of Finance for Canada, of a number of German owned stocks now held by the Custodian of Alien Property in the United States, the companies, whose shares are mentioned, are as follows:

Bell Telephone Company of Canada, Canada Cement Company, Limited, Canada Iron Corporation, Limited, Canadian Car and Foundry Company, Canadian Lowe Coke & Gas Company, Limited, Canadian Pacific Railway, City Central Real Estate Company, Limited, Crown Reserve Mining Company, Dominion Iron and Steel, Limited, Grand Trunk Railway Company of Canada, Lake of the Woods Milling Company, Limited, La Rose Mines, Limited, La Rose Consolidated Mines Company, Laurentide Co., Limited, Marconi Wireless Telegraph Company, Limited, Canada, Mexican Light and Power Company, Limited, Montreal Light, Heat and Power Company, Montreal Tramways Company, Ogilvie Flour Mills Company, Limited, Prince Rupert Coal Fields, Limited, Royal Bank of Canada, St. Maurice Power Company, Limited, Canada, Sherwin-Williams Company, Canada.

INTERNATIONAL NICKEL

International Nickel is getting back to a satisfactory position. The demand for the company's products has turned for the better, with the result that surplus stocks incident to the ending of the war have been largely cleaned up. In New York it is understood that a large block of the stock that has been overhanging the markets has been taken over by important New York and Philadelphia interests.

ONTARIO RESULT CREATES A STIR AT THE CAPITAL

Much Speculation as to the Effect on Dominion Situation

AS TO THE TARIFF?

The Financial Post's Ottawa Correspondent Believes That Canadian Business Will Have to Face a Revision

By Resident Representative.

OTTAWA.—The result of the polling in Ontario has assumed a good deal more than provincial significance. It was watched at Ottawa with the keenest interest, and all political prophets have been completely confounded. At a private dinner held last week, at which several members of the Dominion Cabinet were present, some small pools were made on the result, and the man who made about the worst guessing in the lot was one who is usually considered the keenest judge of political events in Canada. The man who came nearest to the actual result was a Western member, not usually credited with any abnormal prescience in such matters. He apparently realized fully what everyone is now ready to admit: that the day of the farmer is coming in politics, and he will have the opportunity of putting in practice some of those theories he has been advocating.

The result in Ontario will probably have the effect of strengthening the chance of the farmer candidates at the Federal by-elections to be held next week. By the time a general election is held the farmers of Canada will have been much strengthened in their organization, and the result in Ontario will increase their confidence, a quality in which they are not now lacking. It would not be at all surprising to see the farmers hold the balance of power, if not an actual majority, in the next Parliament.

Their representation in the present House has not shown any conspicuous ability, but they claim that they have not been in a position to fight. The ablest man they have is Mr. Crerar, who made a rather good speech, indicating the possession of some original, if radical, ideas on the railroad question, when he gave a somewhat reserved support to the Grand Trunk measure. But Mr. Crerar can hardly be said to be of leadership calibre. He is very immature as a politician, though certainly both honest and likeable, and apt to be led away by the latest political or economic theorist who comes his way; and there are a good many such who make their headquarters here.

Business Men, Attention

Under such circumstances it would seem to be advisable for the business men of Canada to take thought to the future immediately. That things have come to the present pass is largely due to the attitude which the business world has hitherto adopted towards the farmer. It is undeniable that business has hitherto had the principal voice in dictating the affairs of the country. On the whole, the impartial observer would say that they could be in no better hands, but their counsels have not always been those of wisdom. They have been too often intolerant of interests which seemed to be immediately in conflict with their own.

Lower Tariff Coming?

Business men should be prepared to face the fact that the tariff will have to be revised and lowered. Had the farmers of the West been met more in the spirit of compromise some time ago, the present movement would never have gained the strength than what its critics would call more than what its critics fould call more economic madness about this movement. The farmer is irascible from other causes. He feels that he has been ignored or treated contemptuously. He has frequently made advances in the past at a time when his ideals were much less radical than they now are. If he had been met in the spirit of compromise at that time the movement would never have gained the strength it now shows; he might have been educated along less radical lines, and things would be better for all concerned.

It seems inevitable that we shall experience in Canada sooner or later a period of what are known as "hard times." It looks as though that period might come about the time when the farmers are in the saddle. With every respect to their theories—and some of them are perfectly respectable—we would probably be in for what can only be described as an awful mess in Canadian affairs, and some of Mr. Crerar's theories would certainly go by the board when the wreckage tangling the ship of state was cleared away. It would be a drastic process, but perhaps it would be the cheapest in the end.

Meanwhile the only way of avoiding it would seem to be, if possible, that the two interests should meet on a common ground, if there is any such between them. Whichever party undertakes to govern the affairs of this country in the near future has an immensely difficult task on its hands. We are loaded up with a fabulous debt, and some public undertakings which are big with possibilities for the increase of that debt. It would seem to be the worst possible time for swapping policies and trying out new theories. If the farmers should get in the saddle, the enormous nature of their responsibilities might frighten and sober them, but at present they possess an absolute confidence in themselves which argues otherwise.—T.M.F.

SERVICE OF GRAND TRUNK PACIFIC

Has Played an Important Part in the Development of Western Canada

By Resident Representative.

MONTREAL. — While the Grand Trunk Pacific Railway is bearing a fusilade of attacks made upon it from every side on account of the heavy liabilities to which it is under both to the Grand Trunk and to the country, nothing is heard of the part it has played in the development of Western Canada.

Below is given a summary of a small portion of the service it has accomplished in building up the country, making possible the transportation of the grain, and before that of opening up the country to settlement. These indicate, for instance, that some 200,000 cars of grain have been handled by the road; that there are 395 elevators located along the line, with a capacity of over 13,000,000 bushels, and some 30 coal mines.

Total number of cars of grain (all kinds) handled from August 1st, 1908 to August 31st, 1919, practically 200,000 cars.

Elevators (Grain) located on G.T.P. Ry. Tracks

In	No. of Elevators	Capacity Bushels
Manitoba	20	1,575,000
Saskatchewan ...	299	8,971,000
Alberta	76	2,517,000
Total	395	13,063,000

Total number of Cities, Towns and Settlements on G.T.P. Ry. .... 465 (of which 412 are not reached by any other railroad.)

Milleage—Main line	1,755	miles
Branches	1,049	"
Total	2,804	"

Total number of Coal Mines located On Grand Trunk Pacific Ry....... 42

Dry Dock Plant—Prince Rupert, B.C.

Type—Floating and Self-docking.

Land and Wharf Area, acres	17
Extreme length of dock, overall, feet	600
Lifting capacity, tons	20,000
Width in clear, feet	100
Draft over blocks, feet	30

Machine, boiler shop and foundry fully equipped forms part of plant, as well as an electric power plant capable of developing 2,600 H.P., also a ship shed equipped with modern wood working machinery and overhead cranes arranged to build vessels under cover over permanent launch ways.

Along line of Railway.—Coal sheds, 230; Lumber Yards, 157; Gasoline and Oil Stations, 71. Fifteen lumber mills on coast tributary to Prince Rupert, and 71 Salmon Plants.

The organization of the Province of Quebec will assist the French-Canadians of the Province of New Brunswick by generous donations of the Victory Loan literature they have had prepared in French.

THE FINANCIAL POST OF CANADA,
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....1919

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F. P. Oct. 25, 1919

PAPER EXPORTS ARE INCREASING STEADILY

Increase of Newsprint Over $1,000,000 for Month of August

By Resident Representative.

MONTREAL.—The returns of the Department of Trade and Commerce for the month of August indicate that the pendulum in the export of pulp from Canada continues to swing back favorably, after the decided decline that was shown earlier in the year. There is still a large amount behind the corresponding period of 1918, but the prospects are greatly improving. The exports of newsprint and other papers continue to run far ahead of last year, being over $1,000,000 ahead for the month of August, and over $4,000,000 ahead for the first five months of the new fiscal year. The totals for pulp and paper for the month were $8,348,179, as compared with $7,118,398, a gain of $1,229,781. On the other hand the exports of pulpwood showed a falling off of over $1,000,000, being less than half what they were in August of last year. For the five months to date the total exports of pulpwood were little more than half, being $4,205,118 as compared with $8,110,266 for the period of 1918. With this condition there will be none to find fault, for the less pulpwood there is exported the more that remains in this country to be manufactured into pulp and paper at a great gain to the workmen and the mills.

The total quantity of paper exported was 57,817 tons, and the countries to which this was exported included the United States with of course the largest by far, the United Kingdom, Argentine, Australia, New Zealand, Brazil, Peru, South Africa, and other countries. The total newsprint exports for the month of August and the five months to date since March 31, so far as the different countries are concerned, compare as follows:

Newsprint Exports

	Aug., 1919	5 mos. to Aug. 31, '19
To United States	$3,635,450	$16,854,061
Great Britain	170,396	612,181
Argentine Republic	125,620	403,315
Australia	103,961	745,694
Br. South Africa	50,617	142,118
New Zealand	22,256	214,713
Peru	15,024	59,350
Cuba	2,068	27,229
Other Countries ..	9,458	64,707
	$4,140,812	$19,176,739

Pulp and Paper Exports

Month of August	1918	1919
Paper and Mfgs. of..	$ 3,845,477	$ 4,999,258
Pulp, chem, prep.	2,800,173	2,873,186
Pulp, mech. ground ..	472,748	475,735
	$ 7,118,398	$ 8,348,179
Pulpwood	1,978,012	944,877
	$ 9,096,410	$ 9,293,056
Five months	1918	1818
Paper and Mfgs. of...	$18,332,587	$22,531,667
Pulp, chem. prep.	13,319,092	5,756,479
Pulp, mech. ground ..	2,174,521	2,106,936
	$33,826,200	$30,395,082
Pulpwood	8,110,266	4,205,118
	$41,936,466	$34,600,200

WOULD AVAIL LITTLE TO OPPOSE G.T. DEAL

C.M.A. Already on Record as to Government Railway Policy

It is not likely that the Canadian Manufacturers' Association will oppose outright the acquisition of the Grand Trunk Railway by the Government. The matter will come up before the general executive committee next week, but the general feeling among members of the association is that as the Grand Trunk acquisition seems to be practically certain to be approved by Parliament, it would be useless to oppose it further, especially as their position is already clear, because of the resolution presented to the Government last summer by the C.M.A. protesting against any further additions to Canada's railway burden.

This does not mean that no action will be taken by the association in regard to the Grand Trunk deal. The manufacturers feel that the scheme for acquiring the lines leaves much to be desired, and they will undoubtedly formulate suggestions to make the deal, if it must be consummated, as easy as possible for the country to bear.

POSSIBILITIES IN SPAIN

Canadian Exporters Invited to Join British Association

In view of the fact that Wendell L. Clarke, one of Canada's overseas trade commissioners is now in Spain, endeavoring to establish a market for Canadian goods, the latest monthly report of the British Chamber of Commerce of Madrid, is of interest to Canadian exporters. Among the commodities Canada could market in Spain are mentioned agricultural machinery, iron and enamelled goods, tools, lumber, wood-pulp, codfish and grain, and practically all iron and steel products.

NO PURCHASE, BUT REORGANIZATION OF GRAND TRUNK

Continued from page 1.

political standpoint the C. P. R. had served in the past as a buttress for the other one of the political parties. Thus the G. T. P. would sweep from ocean to ocean favoring the one side, balancing up what had become to some extent the traditional conception of the other transcontinental system. Thus the Eastern line was forced up on the G. T. R., the National Transcontinental as it since has come to be designated; thus the Government forced a certain standard of gradient (four-tenths of one per cent.) on the contractors for the G. T. P. in the West that ran up the cost to $240,000 per mile, and will ever be a staggering load to carry for that line. It was a political action too, that permitted a duplication of the G. T. P. lines in the West from Edmonton westward, through the Yellowhead Pass in the Rockies. Due to all these handicaps the Grand Trunk Pacific can claim from the people of Canada a vast amount of consideration.

Hays and Canadian Board

Evidence accumulates that efforts have been made in the past to influence the British board of directors to permit the creation of a Canadian board, and THE FINANCIAL POST was informed this week on good authority that the late Chas. M. Hays, when he had risen to the position of president, urged that this be done, but failed to win out. He foresaw the growing weakness of the present system of outside management, or what a member of the Montreal Board of Trade aptly named, "absentee landlordism."

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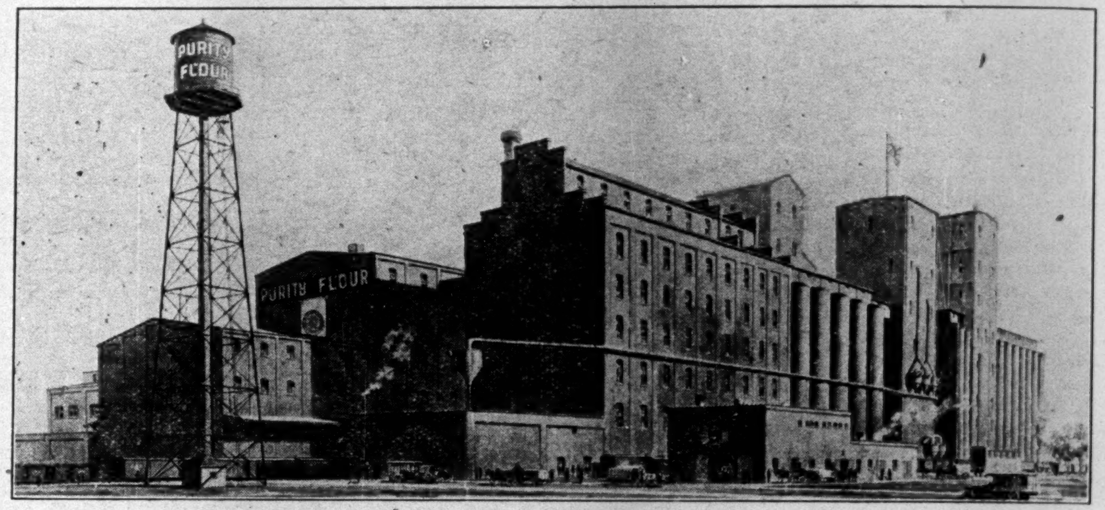

WINNIPEG MILLS

ANNUAL STATEMENT for the Year Ending August 30th, 1919

HEAD OFFICE: TORONTO

MILLS: Goderich, Ont., Brandon, Man., Winnipeg, Man., Calgary, Alta., South Edmonton, Alta.

Andrew Kelly, President
J. E. Macfarlane, General Manager
D. B. Hanna, Vice-President
G. K. Stratford, Secretary-Treasurer

The Directors have pleasure in presenting to the Shareholders the Balance Sheet and Profit and Loss Account of the Company for the fiscal year ending 30th August, 1919.

The Profit and Loss Account carried forward from last year was..................		$ 858,434.39
Victory Bond Dividend, 28th October, 1918..................		250,000.00
		$ 608,434.39
The Net Profit for the year, after making provision for depreciation, for bad and doubtful debts and for taxes, amounted to..................		437,986.57
Flour Milling Profit..................	$229,355.62	
Profit from Other Sources and Investment Income..........	208,630.95	
		$1,046,420.96
This amount has been applied as follows:		
Bond Interest for the year		$ 83,555,21
Dividends at the rate of 8% per annum and 2% Bonus..................		250,000.00
Balance carried forward		712,865.75
		$1,046,420.96

No extensions were made in the company's plants during the fiscal year. All properties, machinery and equipment, however, have been well maintained and are in a high state of efficiency.

The decrease in profits as compared with the previous year is largely due to strikes and labor troubles beyond the Company's control, which necessitated the shutting down of some of the mills for a considerable period and resulted in loss of business. Apart from this feature the results are satisfactory.

The quality of this year's crop is not as profitable for milling purposes as last year. Provided sales can be made and production kept up, the Company should be able to operate with favorable results to the Shareholders.

The Directors have much pleasure in testifying to the faithfulness and efficiency of the Officers and Employees. All members of the staff who have returned from serving the Empire overseas have been reinstated in their old positions, or offered other positions with the Company.

Toronto, 10th day of October, 1919.

A. KELLY,
President.

BALANCE SHEET, 30th August, 1919

ASSETS

CAPITAL ASSETS:		
Real Estate, Buildings, Machinery and Equipment	$2,521,201.48	
Share and other Investments.....	1,004,259.10	
Patents, Trade Marks and Goodwill	1.00	
		$3,525,461.58
CURRENT ASSETS:		
Accounts and Bills Receivable...	$ 598,326.89	
Inventory of Stock in Trade, Bags, Barrels and Supplies	935,779.44	
Victory Loan Bonds	250,000.00	
Cash on hand and in Bank......	251,651.48	
Deferred Charges	74,414.18	
		$2,110,171.99
		$5,635,633.57

LIABILITIES

CAPITAL:			
Authorized 50,000 Shares of $100 each......	$5,000,000.00		
Issued 25,000 Shares of $100 each		2,500,000.00	
Less due by Employees		50,411.84	
			$2,449.588.16
FIRST MORTGAGE 6% BONDS, Due March 1st, 1928:			
£225,000 at $4.86 2-3.	$1,095,000.00		
Less Sinking Fund..	317,658.12		
		$ 777,341.88	
FIRST AND REFUNDING 6% BONDS:			
Due Sept. 1st, 1931.	$ 776,000.00		
Less Sinking Fund..	181,788.96		
		$ 594,211.04	
			$1,371,552.92
CURRENT LIABILITIES:			
Bond Interest		$ 41,174.81	
Dividend Declared, Payable Sept. 15th, 1919		100,000.00	
Accounts and Bills Payable, including estimated amount for War Tax		960,451.93	
			$1,101,626.74
PROFIT AND LOSS ACCOUNT:			
Balance 1st September, 1918	$ 858,434.39		
Victory Bond Dividend, 28th Oct., '18	250,000.00		
		$ 608,434.39	
Profit for fiscal year ending August 30th, 1919, after making provision for Reserves.........		$ 437,986.57	
		$1,046,420.96	
Bond Interest to 30th August, 1919	$ 83,555.21		
Dividends to 30th August, 1919	250,000.00		
		333,555,21	
Balance 30th August, 1919.....			$ 712,865.75
INDIRECT LIABILITIES:			
Customers' Paper under discount ...	$1,321,228.47		
			$5,635,633.57

We have audited the above Balance Sheet with the books and records of the Western Canada Flour Mills Company, Limited, kept at the Head Office, and Branches, and certify that in our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs as at the 30th August, 1919, according to the best of our information and explanations given us and as shown by the books of the Company.

Inventories have been certified as to quantities by the Company's officials at the various points and have been valued on a conservative basis and after making provision for abnormal market conditions.

Provision has been made in respect of Doubtrful Accounts and Bills Receivable.

All our requirements as auditors have been complied with.
10th October, 1919.

GEORGE A. TOUCHE & COMPANY,
Chartered Accountants.